

ISLAND  KEY

AN ISLAND KEY GUIDE

Alojamento Local in Madeira

*The 2026 step-by-step guide to obtaining an Alojamento Local
licence in Madeira*

INTRODUCTION

The first step to renting out your property in Madeira

If you plan to rent a property in Madeira on Airbnb, Booking.com or directly to short-term guests, one of the first terms you will encounter is **Alojamento Local**, or **AL**.

AL is Portugal's framework for operating a short-term rental. The process is national, but some requirements depend on the municipality and the property.

This guide explains what AL means, which documents you need, how registration works, what happens afterwards and what to verify when a property is part of an investment plan.



This guide reflects the rules in force on 23 August 2026.

Municipal rules can change, so the position of a specific property should always be confirmed with the relevant *Câmara Municipal* before purchase or application.

01

THE FOUNDATION

What an Alojamento Local “licence” actually is

Alojamento Local is the legal framework for properties that provide temporary paid accommodation without qualifying as a tourist development.

Although almost everyone calls it an **AL licence**, the formal procedure is a *comunicação prévia com prazo*, a prior communication with a defined response period. The application is submitted through the Portuguese government's electronic system[↗] to the municipality where the property is located.

If the municipality does not oppose the application within the applicable period, the system automatically issues an Alojamento Local registration number in the **RNAL**[↗], the national register of AL establishments. The document containing that number is the legal title that allows the property to open to guests.

STEP BY STEP

How to register Alojamento Local in Madeira

1

Check the property and municipality

Confirm the exact address with the relevant *Câmara Municipal*[↗]. Establish whether the property is in a restricted area and whether its official urban-planning use is compatible with the AL category you intend to operate.

If the purchase depends on short-term rental income, this check belongs before the CPCV or completion, while the investment decision can still respond to what you find.

2

Choose the correct AL category

Moradaia. An autonomous single-family house.

Apartamento. An autonomous apartment or independently usable part of a building.

Estabelecimento de hospedagem. Accommodation generally provided through individual rooms, including hostels.

Quartos. Up to three rooms inside the owner's fiscal residence.

The category matters because municipal and property-use requirements can differ.

3

Review the property's legal documentation



Establish that the property has a valid authorised use or a recognised exemption. Review the *caderneta predial*[↗], land-registry documentation[↗] and relevant municipal planning records.

For a condominium property, also check the *título constitutivo da propriedade horizontal*[↗] and condominium regulations. An ordinary apartment owner does not need a new condominium vote simply to submit an AL application, but an existing title or regulation may prohibit AL.

A later condominium rule can prohibit future AL registrations if approved by owners representing two-thirds of the building's *permilagem*. It applies only to applications submitted after that decision.

4

Register the accommodation activity with Finanças

The future operator must register the appropriate accommodation activity[↗] with the Portuguese Tax Authority. Proof of the declaration of commencement or alteration of activity forms part of the AL documentation.

The operator may be an individual or a company. It does not have to be the owner if it holds a legal right to use the property for the activity.

5

Prepare the application documents

The national application identifies the operator, the property's authorised use, the proposed AL name and address, accommodation capacity, intended opening date and an emergency contact.

Typical supporting documents

- ✓ Identity or company-registration details
- ✓ A signed declaration of responsibility for the property's suitability
- ✓ The property tax record, where applicable
- ✓ Proof of the operator's right to use the property
- ✓ Proof of registered accommodation activity with Finanças

* A municipality may request additional documents. Funchal does so when an application depends on one of the exceptions to its containment rules.

6

Prepare the property for safety requirements

The property must meet the physical and safety requirements[↗] that apply to its size and category. For establishments accommodating **10 guests or fewer**, the core fire-safety items are:

1. An appropriate fire extinguisher
2. A fire blanket
3. Accessible first-aid equipment
4. The national emergency number 112 displayed visibly

Properties accommodating more than 10 guests fall under more extensive fire-safety legislation.

7

Submit the comunicação prévia com prazo

Submit the application through the **Balcão Único Eletrónico** [↗] for the municipality where the property is located. Registration is mandatory before the property can legally operate as AL.

The municipality may oppose the application if the documentation is incomplete, the authorised use is not suitable, municipal restrictions are breached or another legal requirement is not met.

8

Complete the inspection period and receive the RNAL number

The municipality inspects the property within 60 days outside a containment area or 90 days within one. Funchal's regulation provides for its municipal inspection within 90 days after the application.

If there is no valid opposition, the number issued through the system becomes the property's RNAL registration number [↗]. It must then appear in commercial advertising and booking-platform listings.

03

OPERATION

After Registration

BEFORE THE FIRST GUEST

Insurance is mandatory

Before starting the activity, the operator must submit proof of valid civil liability insurance. The minimum required cover is €75,000 per claim.

If the AL is in a building under horizontal property ownership, the operator must also hold or prove valid cover for direct fire damage caused in or originating from the accommodation unit.

Insurance evidence is submitted when the registration number is obtained and whenever the policy is renewed or changed. A missing valid policy can lead to cancellation of the registration.



Ongoing responsibilities

The property must remain compliant, keep its insurance valid, display the RNAL number correctly and maintain the required complaints-book arrangements. Local obligations, including tourist-tax administration, may also apply.

RNAL. Keep registration information current and show the number in every listing.

SIBA. Report the arrival and departure of foreign guests, normally within three working days.

Safety. Maintain the required equipment, property conditions and guest information.

Local. Follow the tourist-tax, waste, noise and operating requirements of the municipality.

For an owner managing everything personally, AL becomes an ongoing administrative and operational responsibility, not a one-off application.

04

PLANNING

How long it takes and what it costs

Timing

The standard municipal period is up to 60 days, increasing to 90 days in containment areas. There is no single guaranteed timeframe, as additional local procedures can extend the practical timeline.

Cost

€50–€150 in municipal fees^{*}

^{*} Indicative municipal fee range as of August 2026. Check the current fee for your municipality on gov.pt[↗].

There is no single Madeira-wide price. The final cost depends on the municipality, insurance, documents and any work needed to make the property compliant.



05

DUE DILIGENCE

Buying a property that already has AL

An existing AL registration can make a property more interesting, especially where new registrations have become harder to obtain. It should still be verified, not accepted from a listing description.

Before relying on “AL licence included”, confirm:

- The property appears in RNAL and the registration is active
- The identity of the registered operator
- Mandatory insurance is current
- Municipal and condominium conditions support the intended operation
- Required changes to operator and registration data can be completed correctly

Portugal removed the general non-transferability rule in 2024, but an existing AL registration still needs to be checked before purchase. Confirm that it remains valid, can be updated for the new operator and is not subject to local transfer restrictions.

06

BEFORE YOU BUY

Can the property you want to buy get an AL licence?

AL eligibility depends on the exact property. Before you buy, check its address, property type, authorised use and municipal rules.

FUNCHAL

Buying for AL in Funchal

Funchal’s 2026 rules divide the municipality into two containment areas.

Central Funchal (Sé). New AL registrations are generally not allowed. Only a limited set of qualifying properties can use an exception.

The rest of Funchal. A qualifying *moradia*, or detached single-family house, has the clearest ordinary route. It must be independent, have its own entrance and direct outside access, and have no shared-use areas.

Apartments. A normal residential apartment should not be assumed eligible. New registrations remain restricted and depend on specific conditions.

Outside Funchal, municipal rules can differ. The same property check still belongs before the purchase decision.

Check before you commit

Not every property in Madeira can obtain a new AL registration.

If short-term rental income is part of your purchase plan, confirm the address, property type, authorised use, documentation and condominium position before you buy.



YOUR NEXT STEP

Need help with getting AL licence?

Tell us which property you are considering or already own. We will check the AL position, explain what is required and coordinate the registration for a suitable property.

If you are buying in Madeira

We check the AL position as part of the property process, before the investment decision is final. For a suitable property, we coordinate the registration, documentation, insurance and compliance needed to prepare it for short-term rental.

**DISCUSS A PROPERTY
PURCHASE**



If you already own a property

When a suitable property comes under our management, we can coordinate the AL process as part of preparing it for operation, then handle furnishing, photography, listings, pricing, guest communication, cleaning, maintenance and day-to-day management.

**DISCUSS PROPERTY
MANAGEMENT**



Professional property management in Madeira

islandkeymadeira.com

This guide provides general information and does not constitute legal, tax or financial advice. AL rules can change at national and municipal level. Always verify eligibility and requirements for the specific property before a purchase or application.