
URÍA MENÉNDEZ

Initial approval of the declaration of the city of
Barcelona as an area of first refusal and
withdrawal

21 June 2018

Summary

1.Introduction	2
2.Object and scope	2
3.Term of validity	3
4.Procedure to exercise the right of first refusal and withdrawal	4
Contact lawyers.....	6

1. Introduction

On 18 June 2018, the Commission of Ecology, Urbanism and Mobility of Barcelona City Council initially approved the “*Modification of the General Metropolitan Plan to declare the city of Barcelona an area of first refusal and withdrawal, and define the edification deadlines*” (“GMPM”).

The GMPM is subject, for to its effective entry into force, to the provisional approval of the Municipal Council of Barcelona, and the definitive approval of the Urbanism Sub-commission of the Municipality of Barcelona. The Barcelona City Council manifested its intention to accelerate the processing of the GMPM and to attain the definitive approval in the third trimester of 2018.

The GMPM will be in the public domain, with the possibility of filing submissions until 20 July 2018, unless an extension is granted.

2. Object and scope

The GMPM grants the right of first refusal and withdrawal in favour of the Barcelona City Council with regard to the transmissions of certain types of real estate properties, both through direct transmissions or through selling shares of corporations whose object is directly or indirectly related to real estate activity.

2.1. DIRECT SUBMISSION TO THE RIGHT OF FIRST REFUSAL

The following types of real estate properties are directly subject to the right of first refusal and withdrawal:

- A. Entire multi-family buildings principally used as housing.
- B. Any type of land that has not been built upon
- C. Lands with dilapidated or completely unoccupied buildings.
- D. Empty houses subject to the Empty Housing Tax regulated by Law 14/2015, 21 July, on empty housing tax, and modification of tax regulation and Law 3/2012.

2.2 SUBMISSION THROUGH DERIVATIVE PLANNING

Through the approval of special urban plans and urban improvement plans, it will be possible to submit the following real estate properties to the right of first refusal and withdrawal:

- A. Houses in rehabilitation and conservation areas, or within the provisions of a rehabilitation programme, especially empty houses and rental contracts under compulsory extension.
- B. Properties in rehabilitation and conservation areas or within the provisions of a rehabilitation programme.
- C. Houses in construction or already constructed, as long as (i) the sellers had acquired the real estate property from a promoter, (ii) and the transmission is screened or perfected before one year has elapsed from the termination of the building work.

2.3 EXCLUSION OF THE RIGHT OF FIRST REFUSAL AND WITHDRAWAL

The following real estate properties are excluded from the scope of the right of first refusal and withdrawal regulated in the GMPM:

- A. Those houses or buildings that have been repossessed, or which are subject to compensation processes or payments of debts with mortgage guarantee, which are ruled by their specific regulation.
- B. Those properties that result from a reparceling project definitively approved during the first five years from its inscription in the Property Register.

3. Term of validity

The initial term of validity of the right of first refusal and withdrawal established in the GMPM lasts for six years from its entry into force for the real estate properties related to Section 2.1, and six years since the entry into force of the derivative planning in the case of Section 2.2.

This measure can be extended, one time, for six additional years, by means of an agreement of the Municipal Council.

4. Procedure to exercise the right of first refusal and withdrawal

In general, GMPM establishes the right of first refusal and withdrawal in favour of the City Council of Barcelona. Nonetheless, through an ordinance, the City Council will be able to state whether this right will be exercisable by special urban entities (e.g. Incasòl) or in favour of third parties, such as social promoters or non-profit entities whose object is the shelter of vulnerable collectives that require special care, as well as in favour of physical persons inscribed in the Register of Applicants for Officially Protected Homes.

4.1 EXERCISE OF THE RIGHT OF FIRST REFUSAL

The procedure to exercise the right of first refusal, regulated in the GMPM, starts with the owner's communication to the City Council of the intention to transmit the affected real estate property (or the shares, as stated in Section 2). This communication must indicate the price, payment method and payment timeline, as well as the remaining essential conditions for the transmission

The term to exercise this right is one month starting from the day after the presentation of the notification to the City Council. The absence of answer will be equivalent to resignation from the right of first refusal.

Once the transmission is complete, this fact must be communicated to the City Council with a copy of the public instrument or document in which it was formalised.

The effects of notification (the completion of the term, waiving the right of first refusal, among others) expire after four months if the transmission does not take place, so it will be necessary to make a new communication, or the City Council will exercise its right of withdrawal.

4.2 EXERCISE OF THE RIGHT OF WITHDRAWAL

The City Council will hold a right of withdrawal over the transmissions subjected to the GMPM when (i) no communication was performed, (ii) the communication lacks the necessary requirements, (iii) the real price of the transmission is inferior to the communicated price or (iv) when it was transmitted in less onerous conditions.

The right of withdrawal may be exercised by the City Council in the term of one month counting from the day after the communication to the City Council of the consummated transmission or from the date on which the City Council becomes aware of it.

Contact lawyers



Noemi Blázquez Alonso

Counsel. Barcelona office

+34 934 165 521

noemi.blazquez@uria.com



Joaquín Hernández Tornil

Lawyer. Barcelona office

+34 934 165 521

joaquin.hernandez@uria.com

**BARCELONA
BILBAO
LISBOA
MADRID
PORTO
VALENCIA
BRUXELLES
FRANKFURT
LONDON
NEW YORK
BOGOTÁ
BUENOS AIRES
CIUDAD DE MÉXICO
LIMA
SANTIAGO DE CHILE
SÃO PAULO
BEIJING**

www.uria.com

La información contenida en esta publicación es de carácter general y no constituye asesoramiento jurídico
This newsletter provides general information and does not constitute legal advice