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## Real Estate, Infrastructure and Hospitality Practice Group Newsletter



### Bill to issue a new Condominium Property Law for Real Properties in Mexico City (CDMX).

On July 15, 2020, Local Congresswoman Leticia Estrada Hernández submitted before the Congress of CDMX a Bill for the issuance of a new Condominium Property Law for Real Properties in CDMX.

The main argument and reasoning behind the initiative is that most of the condominiums in Mexico City are currently in poor condition, and the regulations must be improved in order to safeguard them. Thus it is essential, according with the Bill, to update and amend the current legal provisions that have been overtaken by reality to improve current regulations and decision mechanisms, administration and accountability, as well as the organizational processes in housing projects of CDMX.

In general, the main topics being introduced in the Bill are the following:

- i. Implement proposals made in forums by the Chamber of Notaries, and the Association of Real Estate Developments, regarding the Sole Certificate of Land Use Zoning; harmonize the provisions of the Bill with the Civil Code of the CDMX and the CDMX Notary Law;
- ii. A more extensive wording is drafted with regard

to the authority, nature and composition of the owners' general meetings;

- iii. The prohibition to carry out industrial, commercial or services activities in buildings subject to the condominium regime; furthermore, the Bill proposes prohibiting use of private units' subject to a condominium regime for temporary accommodation activities, such as Airbnb.

With respect to this last point, here are some important aspects:

Article 17 of the Bill. -

At the end of this provision, the following wording was proposed:

**"In properties subject to a condominium regime, it is prohibited to carry out industrial, commercial or services activities in privately owned residential units, and for no reason may they be used for temporary accommodation such as that offered by the Airbnb platform or other similar modalities in contravention of condominium, mercantile, health, civil protection, land use, tax and other regulations."**

- » This project violates the right of private property for the owners of properties that are subject to a condominium regime by prohibiting temporary accommodation through the use of any digital platform.

Moreover, it is noteworthy that the name of a company or its brand (in this case "Airbnb") is expressly referenced in the Bill, which in our opinion it clearly reveals a poor legislative technique, since one of the principles of rule of law is that a law must be general, abstract and impersonal.

- » Likewise, Article 78 of the Bill establishes a fine from 10 to 100 times the CDMX Account Unit in case of breach of Article 17, that is, from MXN \$869.00 to MXN \$8,690.00.

In a recent interview with the newspaper "El Universal", Congresswoman Leticia Estrada denied that the policy behind the Bill was to prohibit in its entirety the use of properties subject to the condominium regime for temporary accommodation. This assertion on the part of the Local Congresswoman is contrary to the wording proposed in her own Bill, as mentioned above.

Since we are still facing right of initiative of a Bill that has not yet been approved, we will closely follow how the review and discussion stages evolve before the Congress of CDMX.

Learn more about this initiative in the [following link](#).

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