

Co-owned estates: what changes under the Government's proposal

On March 27th, 2026, the Council of Ministers approved a draft Bill aimed at introducing a new model for resolving succession deadlocks, with particular focus on situations in which real estate assets forming part of estates held in co-ownership remain tied up and, as a result, excluded from the market for decades. The initiative forms part of the broader housing reform and seeks to address a structural blockage with significant impact in both urban centers and rural areas.

The official statement highlights the intention to establish mechanisms capable of overcoming these deadlocks, while simultaneously safeguarding the rights of the heirs.

Among the measures announced, particular emphasis is placed on the **creation of a special procedure for the sale of co-owned real estate**, allowing any heir, two years after the opening of the succession, to initiate the sale of the property at market value, even without the agreement of the others. The model provides for the determination of the price based on expert valuation and, as a rule, the sale by electronic auction, while also recognizing the right of redemption of the remaining heirs.

In parallel, the initiative also provides for the use of **succession arbitration** as an alternative means of dispute resolution, with the possibility of appealing to the Court of Appeal, as well as the strengthening of **succession planning** tools. In this context, it provides, in particular, for the extension of the powers of the estate administrator, the possibility for the deceased to determine the assets forming part of the forced heirship share, and the creation of the figure of an executor with partition powers, measures that point towards greater anticipation and organization of the transfer of assets.

From a legal standpoint, the proposal appears to address a widely acknowledged reality: the existence of a significant number of properties that remain outside the market as a result of conflicts between heirs or inertia in the conduct of succession proceedings. Should the measures be enacted as announced, they may represent a significant change to the current framework, both in terms of how deadlocks between heirs are resolved and in the tools available for succession planning during the lifetime of the asset holder.

Although the concrete impact of the reform can only be assessed once the final Bill is published, the Draft Bill signals the legislator's intention to create a more functional balance between individual succession rights and public housing policy objectives, thereby enhancing predictability and legal certainty in the management of real estate forming part of estates held in co-ownership.

For further information on this topic, please do not hesitate to contact the team at Ana Bruno & Associados, Sociedade de Advogados, SP, Lda.



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