

# Construction and Real Estate

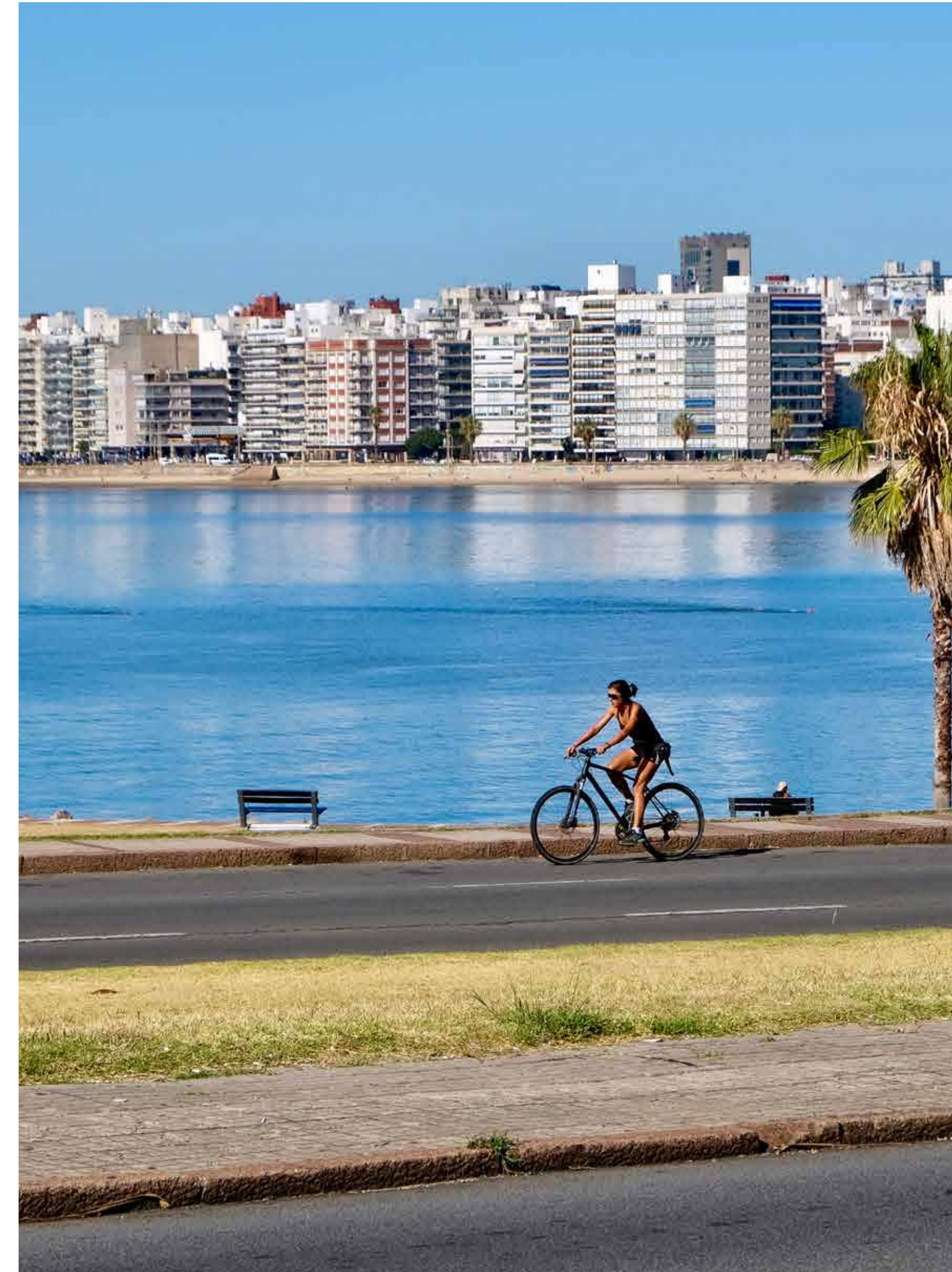
[invertir.montevideo.gub.uy](http://invertir.montevideo.gub.uy)



Invest in  
Montevideo

# Why Montevideo?

- Construction permits granted annually for a total surface area of 500,000 m<sup>2</sup>.
- Development district plan for reactivating Montevideo's economic and cultural activity.
- Fast permit issuance.
- Fiscal incentives.





# Industry Incentives Housing Promotion Law

The Law for the Promotion of Social Interest Housing (Law 18,795) supports private investment in the construction, refurbishment or expansion of housing that may be used for both sale and rental.

The law and its subsequent regulatory decrees define benefits for real estate developers:

- Exemption from Corporate Income Tax (IRAE) on the income generated after the first disposal of the properties.
- Exemption from Net Worth Tax on buildings under construction (land and improvements) until the works are finished.
- Exemption from Net Worth Tax for homes built, from the completion of the works and for the following three fiscal years.
- VAT exemption for the first disposal of the home and VAT refund for the acquisition of goods and services in the market to be included in its direct cost.
- Exemption from VAT on the importation of goods intended for civil works.

More information: [www.anv.gub.uy/normativa-vigente](http://www.anv.gub.uy/normativa-vigente)



# Investment Promotion Law

Within the framework of the Investment Promotion Law, benefits are also included for the promotion of large construction developments.

The benefits available through the investment promotion regime include:

- Exemption from Corporate Income Tax (IRAE), for between 20% and 100% of the amount invested.
- Import tax exemption.
- Exemption from Value Added Tax (VAT).
- Net Worth Tax exemption.

Developers must submit the investment project to the Application Commission (Comap), in order to obtain the benefits.

More information: [www.gub.uy/ministerio-economia-finanzas/Comap](http://www.gub.uy/ministerio-economia-finanzas/Comap)



# Related Institutions

- **MVOT: Ministry of Housing and Territorial Planning**  
[www.gub.uy/ministerio-vivienda-ordenamiento-territorial/](http://www.gub.uy/ministerio-vivienda-ordenamiento-territorial/)
- **CCU: Construction Chamber of Uruguay**  
[www.ccu.com.uy](http://www.ccu.com.uy)
- **Appcu: Association of Private Construction Developers of Uruguay**  
[www.appcu.org](http://www.appcu.org)
- **Ceeic: Center for Economic Studies of the Construction Industry**  
[www.ceeic.uy](http://www.ceeic.uy)



# Economic Characteristics of the Construction and Real Estate Sector

The construction sector represents 5% of Uruguay's GDP and ties directly to a series of activities ranging from the extraction of raw materials, materials manufacturing and the construction work itself to marketing. It has a direct impact on the real estate sector due to its effect on the industry's costs and production capacity.

Construction plays an essential economic role due to its relations with other sectors and its ability to generate both direct and indirect jobs, causing one of the greatest production linkages in the economy. In 2021, the sector employed 50,000 workers.



# Opportunity: Montevideo más cerca Program

The *Montevideo más cerca* (Montevideo Up Closer) program encourages the creation of job opportunities through the application of sustainable urban development policies and encouragement of private investment. For this purpose, allowed building heights have been increased to promote greater density in the central and intermediate areas of the city.

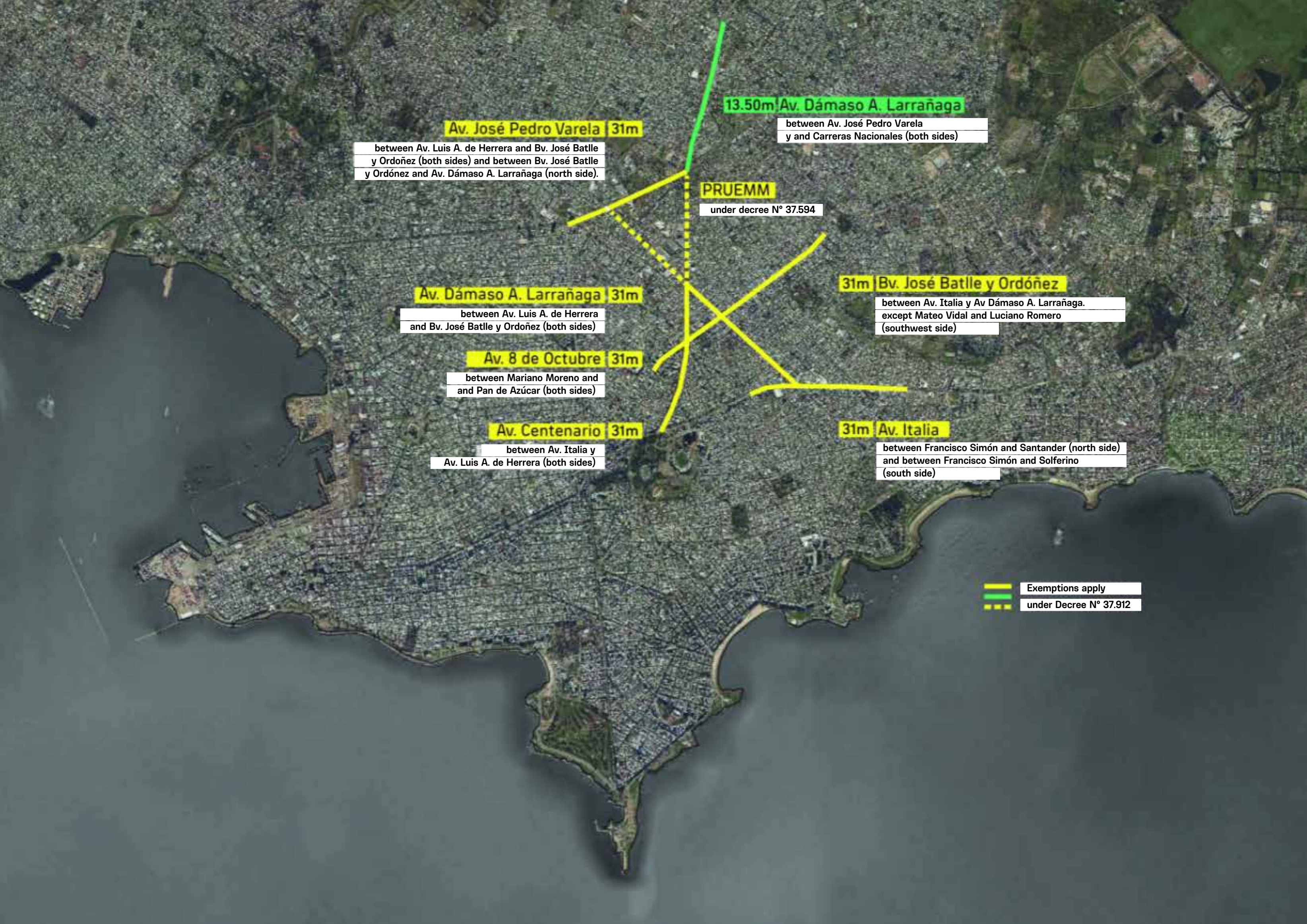
## **Incentives**

Approved projects will be exempted from the compensatory payment for greater usability and returns from appreciation for up to 18 months from January 1, 2022. In the case of projects for housing cooperatives or housing complexes of social interest (Law 13,728), they will be exempted for a period of 24 months.

## **Avenues**

All the projects developed on the corresponding avenues, with the exception of Av. Dámaso Antonio Larrañaga, will be allowed a maximum construction height of 31 meters and will be exempt from compensatory payment for reaching this height. For the section on Av. Dámaso Antonio Larrañaga between Av. José Pedro Varela and Carreras Nacionales, the maximum construction height allowed is 13.50 meters.

# Avenues Included in the Program:





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