

# STATE AIDS

The background features a complex arrangement of rounded rectangular and circular shapes in three colors: a vibrant lime green, a light sky blue, and a deep navy blue. The shapes are layered and partially overlapping, creating a modern, geometric aesthetic. The text 'STATE AIDS' is positioned in the upper left quadrant, set against a large green rounded rectangle.

**The Luxembourg State  
provides a broad array of  
individual housing subsidies  
to facilitate the acquisition,  
construction or renovation  
of a property.**

# HOUSING SUBSIDIES

(Ministry of Housing)

## Capital grants

### Home purchase grant

This state grant may be awarded **for the purchase** of a single-family home or apartment that has previously been occupied. The grant is calculated based on your income and the composition of your household. The home purchase grant can range from €250 to €9,700. If the dwelling concerned is a condominium or a terraced house, the premium is increased by 30%. If it is a semi-detached house, the premium is increased by 15%.

› Useful living space criteria: see Page 3

### Construction grant

This state grant may be awarded **for the construction** of a single-family house or apartment, or for the purchase of a newly-built dwelling. The grant is calculated based on your income and the composition of your household. The construction grant can range from €250 to €9,700. If the property is a condominium or townhouse, the grant is increased by 30%. If it is a semi-detached house, the grant is increased by 15%.

› Useful living space criteria: see Page 3

### Savings premium

This state subsidy may be awarded on the basis of interests and premiums earned on your savings accounts, provided that at least 90% of those savings are used to purchase the property. It is only awarded if you benefit from a **construction or acquisition grant**. The maximum savings premium for any one beneficiary is €5,000.

### Home improvement grant

This state grant may be awarded for the **renovation** of your home. The State thus encourages the owners of non-new dwellings of at least 15 years in age to invest in the overall health and safety of the dwelling. The addition of extra rooms or the extension of existing rooms is not subject to the condition on the age of the dwelling. The maximum grant for any one beneficiary is €10,000.

› Useful living space criteria: see Page 3

### Additional grant for architect's and consulting engineer's fees

This grant may be awarded in addition to **an improvement or construction grant**. Its purpose is to partially offset your architect's and/or consulting engineer's fees. The maximum amount of this grant is equal to half of the architect's and/or consulting engineer's fees, but shall not exceed the sum of €1,250.

› Useful living space criteria: see Page 3

### Financial support for the LENOZ certificate

This state aid is available on condition that you have a LENOZ certificate and are the owner of the certified home. LENOZ certification (Lëtzebuenger Nohaltegkeets-Zertifizéierung: Luxembourg sustainability certification) applies to any new residential building, any residential building or part of a residential building with an energy performance certificate and any substantial or complete energy renovation.

The amount of the aid is a maximum of €1,500 per single-family home and a maximum of €750 per flat in a collective building.

## State interest subsidy

### The interest subsidy

The State interest subsidy may be awarded to reduce the monthly charges on your housing loan taken out for the **construction, acquisition or renovation** of your home. Housing loans are taken into consideration up to a maximum of €175,000. The interest subsidy rate ranges from 0.575% to 2.45%. The grant is calculated based on your income and the composition of your household.

An interest subsidy may also be granted in the case of a housing loan taken out for the purpose of improving your home's energy efficiency. In this case, the loan may be taken into consideration up to a ceiling of €10,000.

› Useful living space criteria: see Page 3

### The interest allowance

A State interest allowance of 0.50% per dependent child may be awarded to reduce the monthly charges on your housing loan taken out for the construction, acquisition or renovation of your home. It shall not exceed the effective interest rate of the loan or the ceiling rate of 3%.

The interest relief only concerns properties located in the Grand Duchy of Luxembourg and which are not rented.

This aid is granted under the following conditions:

- › having at least one child to support
- › having a mortgage contract with a bank;
- › inhabiting the property for which the aid is granted and not being the owner, co-owner or usufructuary of another property
- › have an annual taxable income below the legal limit (€102,815.72 on 01.01.2020)

Please get in touch for further information or to calculate the amount of aid you are entitled to.

## State guarantee

Under certain conditions, the State can help guarantee your housing loan if you are unable to provide sufficient guarantees yourself for a loan for the **construction, acquisition or improvement** of your home. Anyone wishing to benefit from the State guarantee must, among other things, have had a savings account with the same bank for at least three years, and must have credited the account with regular deposits of at least €290 per year.

## Useful living space criteria

You may benefit from a home **purchase, construction or improvement** grant as well as an **interest subsidy** and an **additional grant for architect's and consulting engineer's fees** when you meet certain conditions. These include criteria on the useful floor space, as indicated here:

Single-family house	Apartment
Minimum 65 m <sup>2</sup>	Minimum 45 m <sup>2</sup>
Maximum 140 m <sup>2</sup>	Maximum 120 m <sup>2</sup>

Useful floor space is the surface area of the home inside the exterior walls, except for cellars, garages, attics, workshops and other professional outbuildings and, in joint ownership properties, excluding the communal areas. However, attics or areas permitting the fitting out of attic rooms are included, on condition that the minimum height of the attic space is at least 2 metres, that it can be accessed normally and has a window measuring at least 0.375 m x 0.750 m.

### These areas can be increased by 20 m<sup>2</sup> for:

- › a third and any subsequent dependent child,
- › ascendants living in the home if:
  - the household counts more than four people,
  - the ascendant does not own their own home,
  - the ascendant cannot live alone due to their state of disability.

For properties built before September 10th 1944, the surface area conditions do not apply.

For further details on the various individual housing grants and subsidies that can be obtained from the Ministry of Housing, you can consult the Ministry's website at

[www.logement.lu](http://www.logement.lu)

## MUNICIPAL AID

The amount of municipal housing aids varies from one municipality to another. For further information, we advise you to contact the municipal council for the town or village in which you intend to buy or build a home.

## SPECIAL INCENTIVES

The State also grants other special forms of aid:

- Renovation grants for buildings built before 1913. For more information, please contact **the Ministry of Culture**.
- Renewable energy grants. Some municipalities offer a very attractive programme of grants to encourage the use of renewable energies (**Ministry of the Environment and Ministry of the Economy**).
- Grants for the installation of rainwater recovery systems. Please contact **the Water Management Agency**.

## KLIMABONUS SUBSIDY PROGRAMME

The new Klimabonus subsidy programme helps to encourage individual action on climate change and energy transition through financial support.

The aim of Klimabonus is to encourage the energy efficient renovation of an existing building, the construction of sustainable housing, and the installation of heating systems that use renewable energy (heat pumps, wood boilers, solar thermal or photovoltaic systems).

For more information on Klimabonus aids and to simulate the subsidy amount you could receive in order to make your project a success, we invite you to consult

<https://aides.klima-agence.lu/>



# TAX EXEMPTIONS

## Reimbursement of VAT on housing

The standard VAT rate is 17% but the State applies a reduced VAT rate of 3% (up to a maximum amount of €50,000) to **construction and renovation works** on dwellings intended as the main residence. A 'dwelling' is understood to mean any building or any part of a building representing a separate unit that may be occupied as a main residence, including garages, cellars and the associated internal communal areas. A building used as a main residence and for other purposes at the same time may still be eligible for the tax benefit, as long as the surface area allocated for use as a main residence is more than 75% of the total surface area. If the surface area is less than or equal to that proportion, the tax benefit is only awarded in proportion to the part that serves as a main residence.

## Tax credit on notarial deeds

*(Béllegen Akt, amended law of July 30th 2002)*

The normal rate for real estate purchases – houses, flats and building plots – is 7%, of which 6% is for registration fees and 1% is for recording fees. This Act introduced a tax allowance, in the form of a tax credit of €20,000 on the registration and recording fees for anyone wishing to purchase a dwelling for use as their personal residence. The tax credit may be used successively for several purchases until it has been exhausted.

No conditions in terms of wealth, value of the building, cadastral income, or purchaser's income are taken into account. In all events, the administration will charge a minimum registration fee of €100.

The tax credit is granted subject to certain conditions, notably:

- the buyer must effectively and personally occupy the purchased property within 2 years, extended to 4 years if it is a building plot or property under construction, with the exception of certain derogations,
- the buyer must refrain from renting or using the building for any other purpose during a two-year period,
- at the time the notarial deed is recorded, the buyer must be resident in the Grand-Duchy of Luxembourg; payment of the grant will be postponed if this condition is only met later.

## Deductible interest

Interest due in the event of the acquisition, construction or renovation of a dwelling is fully deductible as long as the dwelling is not inhabited by the owner. If the owner himself occupies their property, the interest due is deductible as follows:

Duration of occupancy of the dwelling	Amount*
0-5 years	€2,000
6-10 years	€1,500
beyond 10 years	€1,000

\* Annual amount of deductible interest per person in the household.

# DEDUCTIBLE AMOUNTS

## Insurance on the outstanding balance

Outstanding balance insurance protects your loved ones from financial worries in the event of your death. It pays off the full insured amount that remains due at the time of your death. For us, this is essential. The single premium paid out as outstanding balance insurance is tax deductible under "special expenditure". The amounts deductible vary according to the insured party's age and family circumstances.

Outstanding balance insurance			
	Up to 30 years	31–49 years (supplement per year)	50 years and over
Taxpayer	€6,000	+ €480	€15,600
Taxpayer + 1 child	€7,200	+ €576	€18,720
Taxpayer + 2 children	€8,400	+ €672	€21,840
Taxpayer + 3 children	€9,600	+ €768	€24,960
Taxpayer + 4 children	€10,800	+ €864	€28,080
Taxpayer + 5 children	€12,000	+ €960	€31,200
Taxpayer + 6 children	€13,200	+ €1,056	€34,320

For more information,  
please visit











[www.logement.lu](http://www.logement.lu)

regularly or contact  
your Raiffeisen adviser.

# DOCUMENTS TO BE PROVIDED WHEN APPLYING FOR A HOUSING LOAN

## Do you want to build or renovate?

Prepare your main supporting documents for your property project, depending on your investment.

<input type="checkbox"/>	<b>Identity document of the applicant(s) and, where applicable, marriage or partnership certificate</b>	
<input type="checkbox"/>	<b>Proofs of income from the last 3 months</b> (pay slips, pension, rent(s) received, other income)	
<input type="checkbox"/>	<b>Recent account statements</b> (if they are not open in our books: equity and liabilities)	
<input type="checkbox"/>	<b>Details of existing loans</b>	
<input type="checkbox"/>	<b>Initial sales agreement signed by the parties</b>	
<input type="checkbox"/>	<b>Plans and quotes for new construction/renovation work</b>	
<input type="checkbox"/>	<b>Photos of the interior and exterior of the property</b> (only in case of purchase/renovation of an existing property)	
<input type="checkbox"/>	<b>Last income tax return with annexes</b>	
<input type="checkbox"/>	<b>Cadastral plan</b>	
<input type="checkbox"/>	<b>Ownership title(s)</b>	





Our advisors are at your disposal in our classic branches or at the Hub of Home to discuss your real estate project.

**For more information or to make an appointment, do not hesitate to contact your advisor or use our dedicated form by scanning the QR code.**



## **Are you looking for a Raiffeisen branch?**

Find your nearest branch on [raiffeisen.lu](http://raiffeisen.lu).



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