

INTERACTIVE PDF WITH CLICKABLE LINKS

STATE AID



**Are you planning to build,
buy or renovate your home
in Luxembourg?**

Homeowners and future homeowners residing in the Grand Duchy can receive various forms of financial support from the State to build, buy or renovate their home.

Let's go through them together.



Raiffeisen

The Bank that belongs to its members

Housing subsidies

Direct grants are awarded by the Ministry of Housing for building, buying or renovating a home.



Capital grants

Home ownership grant

This grant is available for the construction or purchase of a house or apartment. The amount varies between €500 and €10,000 depending on household income and circumstances. For condominium apartments or row houses, the grant increases by 40% and for semi-detached houses it increases by 15%.

Short-term compensatory grant (temporary measure)

For newly-built homes for which the deed of sale is signed between 01.09.2023 and 31.12.2024, an additional grant of €20,000 is awarded if you have received a home ownership grant.

Savings premium

You can receive this premium if you can prove that you have saved for at least 1 year with the same bank, provided that 90% of these savings are used to buy a home and that the total amount saved does not exceed €500 per year. It is awarded if you are eligible for a home ownership grant.

Financial aid for the LENOZ certificate

This aid may be available to you if you have obtained a LENOZ (Letzebuenger Nohaltegkeets-Zertifizierung fir Wunngebaier) certificate to assess the sustainability of your home. The maximum amount of aid is €1,500 for a single-family house or €750 per apartment in an apartment building. Find out more about the LENOZ certificate at logement.lu.

Home improvement grant

You can receive this grant to improve the habitability, safety and health of your home (if it is at least 10 years old). The amount of the grant is capped at a maximum of 40% of the amount, excluding VAT, of the invoices for the work in question. The grant is capped at €10,000 per recipient.

Housing subsidies

Capital grants

Topup Klimabonus

If you are a recipient of Klimabonus (ecological renovation) grants, you may be eligible for the Topup Klimabonus grant. The contribution rate varies between 10% and 100% of the amount of Klimabonus grant awarded. The aim of this additional grant is to promote the renovation of homes in order to avoid energy insecurity linked to energy costs.

Special adaptations grant

If you need to make special adaptations to your home for the benefit of a disabled person, you may be eligible for a special adaptations grant. The maximum amount of this grant is 60% of the cost, excluding VAT, of the eligible work, up to a maximum of €20,000.

Grant for the creation of an integrated dwelling

You may be eligible for this grant if you are creating an integrated dwelling in your home. The integrated dwelling consists of a second dwelling in a single-family home. Each of the two units must have its own entrance door. The flat-rate amount of the grant is €10,000.

Temporary increase for the creation of an integrated dwelling (temporary measure)

For any integrated dwelling first occupied after 01.09.2023 and completed before 31.12.2026, the grant is increased to €20,000.

Aid with interest

The interest subsidy

Depending on your income and the composition of your household, the State may grant you an interest subsidy to reduce the monthly instalments of your housing loan. This subsidy is determined according to the terms of your loan, up to a maximum of €200,000 per home, with an additional €20,000 per dependent child (capped at €280,000).

Interest subsidy for climate loans

If you are financing an energy-efficient renovation of your home (whether you own it or rent it), you may be eligible for an interest subsidy of 1.50% on a maximum eligible amount of €100,000.



Housing subsidies

State guarantee

Under certain conditions, the State can help you guarantee your housing loan if your own guarantees are deemed insufficient for the construction, purchase or improvement of a home.

To benefit from this guarantee, you must have held a savings account with a single bank for at least 3 years, with deposits of at least €1,000 a year.

State guarantee for a climate loan

If you would like to take out a loan to finance an energy-efficient renovation of your home, you may be eligible for a State guarantee for a climate loan, intended for low- or moderate-income households. The maximum amount of this guarantee is set at €50,000.

Are you renovating your home to improve its energy impact?

The Klimabonus grant programme can help you.

The Klimabonus grant programme encourages individual action for the climate and the energy transition through financial support.

It includes ecological renovation, sustainable construction and installation of renewable energy heating systems such as heat pumps, wood-fired boilers and solar installations.

Depending on the nature of the project, applications for Klimabonus grants must be made before or after the work is carried out. Contact Klima-Agence for more information.

Housing subsidies

Depending on your situation, other forms of aid may be available to you.



Municipal aid and special incentives

Municipal aid

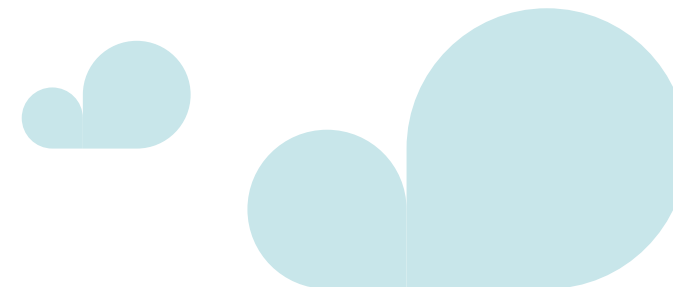
The municipality in which you intend to buy, build or renovate your home may be able to grant you aid. These vary from one municipality to another.

Contact your municipality for more information.

Special incentives

1. Renewable energy subsidies: some local authorities have very attractive subsidy programmes for the use of such energy. For more information, contact your municipality or Klima-Agence.
2. Grants for the installation of rainwater recovery systems: for more information, contact the Water Management Authority (A.C.E.).

Tax exemptions



Tax credit on notarial deeds (Bëllegen Akt)

When you buy a property to be used as your main residence, you can obtain a reduction in registration fees and transcription duties, in the form of a tax credit of up to €40,000 per buyer, for deeds signed up to 31/12/2024. The amount will be reduced to €30,000 after this date. There are no conditions relating to income, the value of the property or cadastral income.

The super-reduced VAT rate

Construction and renovation work on your main residence may be eligible for a reduced VAT rate of 3% under certain conditions, with a tax benefit capped at €50,000 per home. A property used as a main residence or for other purposes may also qualify for certain tax benefits. However, the habitable surface area must make up 75% of the total surface area of the property. Otherwise, this tax benefit will be granted in proportion to the habitable surface area.

Deductible interest

Interest on the purchase, construction or renovation of a home is deductible as long as the owner does not occupy it. Once the property is occupied by the owner, the interest is partially deductible as follows:



* Annual amount of deductible interest per household member.

Deductible amounts

Outstanding balance insurance

Outstanding balance insurance is essential to ensure financial peace of mind for your loved ones in the event of death or disability, by guaranteeing repayment of the outstanding balance.

Outstanding balance insurance premiums are tax deductible up to a maximum of € 672 per year, depending on your age and family situation. This amount is doubled if you are married or for each additional child. In the case of single premium payments, the annual deductible limit increases as follows:

- Up to the age of 30: € 6,000
- From 31 to 49: + 480 €/year
- 59 and over: € 15,600

Fire insurance

Insuring your home is an essential part of taking out a housing loan, providing essential protection against fire and other damage. It offers tax benefits of up to € 672 per year per household member.



Documents to be submitted with a home loan application



Identity document of the applicant(s) and, where applicable, marriage or civil partnership certificate



Proof of income from the last 3 months (salary statements, pension, rent collected, other income, etc.)



Recent account statements (if they are not opened in our books: equity and liabilities)



Details of existing loans



Initial sales agreement signed by the parties



Plans and quotes for the new construction/renovation work



Photos of the interior and exterior of the property (only in case of purchase/renovation of an existing property)



Latest income tax return with annexes



Cadastral plan



Ownership title(s)



For further information



For more information on individual housing subsidies and ecological grants in Luxembourg, these various bodies can provide you with further details.

Would you like to talk to an advisor?

Our advisors are available to discuss your property plans at your traditional branch or at the Hub of Home.



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For any additional information,
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