

Luxembourg to revive housing-market

On February 7, 2024, the government has introduced bill n°8353 (the "**Bill**") setting out a package of measures aiming at revitalizing the local housing market. The Bill's objectives is to (i) strengthens the construction and craft sector, (ii) increase the housing supply and (iii) support individuals to acquire or rent a home through the amendment of two tax laws (i.e. the amended law of August 7, 2023 on individual housing assistance and the law of August 7, 2023, concerning affordable housing).



The amended law of August 7, 2023 on individual housing assistance provides for (i) rental assistance and (ii) homeownership assistance.

Rental assistance (chapter 2) consists of assistance with financing a (i) rental deposit, in cases where an individual intending to rent residential accommodation in the private rental market does not have the necessary funds to finance the rental deposit required by the landlord at the conclusion of the lease and of a (ii) rent subsidy for low-income individuals renting accommodation in the private rental market.

Homeownership assistance (chapter 3) can take the form of either guarantees provided by the State for the conclusion of a mortgage loan, assistance for homeownership (i.e. "Aide à l'accession à la propriété"), and assistance for housing improvement. (i.e. "Aide à l'amélioration du logement").

Through the Bill, the government intends to raise the eligibility limits of the different individual assistances provided by this law as set out above and to adapt those individual financial assistances to the evolution of the corrected standard of living (i.e. "niveau de vie corrigé") allowing a higher number of people to perceive them.

Regarding the law of August 7, 2023 on affordable housing it namely aims to promote social inclusion through housing and access to housing prioritizing low-income individuals, through the implementation of various financial aids. Here too, it is primarily the annexes and eligibility limits which are amended.

The eligibility limit for housing intended for sale at a moderate cost (i.e. "logements destinés à la vente à coût modéré"), currently set at 4,055 EUR net monthly for an adult without children would be increased to 7,534 EUR.

Please see our website and social media accounts for more information on our services or reach out to our team to discuss your projects.