

PROPERTY

Déficit foncier (property deficit)

Setting works on an unfurnished let against overall income.

This ordinary-law regime allows works on an unfurnished let to be deducted from overall income, up to an annual limit.

OVERVIEW

An owner who lets unfurnished under the actual-expenses regime deducts costs and maintenance, repair and improvement works from the rents. When these exceed the rents, the deficit is set against overall income up to €10,700 a year, excluding loan interest, which is deductible only from property income. The excess is carried forward for ten years against property income. The property must remain let unfurnished for three years after the deduction.

HOW IT WORKS

Purchase and works

Unfurnished let, actual-expenses regime

Deduction

Up to €10,700 against overall income, ten-year carry-forward

Letting

At least three years after the deduction

KEY POINTS

Strengths

Offset directly against overall income

Can be combined with other schemes

Points to watch

Commitment to let unfurnished for three years after the offset

Works to be coordinated and invoiced correctly

Annual ceiling of €10,700 against overall income

Actual-expenses regime compulsory (accounts)

WHO IT IS FOR

Heavily taxed owners who renovate an older rental property or buy one to renovate, and whose existing property income will absorb the carry-forward. The property deficit can be combined with the other unfurnished letting regimes.

WORKED

ILLUSTRATION

Example based on assumptions

Assumptions: an owner taxed at 41% carries out €30,000 of improvement works, excluding energy renovation, in a flat let unfurnished. The deficit is set against overall income up to €10,700, saving €4,387 in tax the same year. The remaining €19,300 is carried forward for ten years against property income. The flat must remain let unfurnished for three years.



Sébastien Bailly

Founder, ASTERALE

The first meeting, which lasts about an hour, is free of charge.

sebastien.bailly@asterale.fr

+33 6 28 54 13 74

www.asterale.fr/en/

This sheet is a general information document of a commercial nature. It constitutes neither personalised investment advice, nor a recommendation, nor a solicitation, and it is not a key information document. Any decision requires a prior analysis of your situation by a duly authorised professional. Investments carry a risk of capital loss. Past performance is no guide to future performance. Taxation depends on each person's situation and may change.

Risk of capital loss on resale. Letting risk: vacancy, arrears, damage. Costs, works and local taxes may rise. Acquisition costs are high and resale is slow. Tax regimes depend on conditions being met over time and on the legislation in force.

Complaints and mediation

Any complaint may be sent to ASTERALE, 4 allée Django Reinhardt, 94110 Arcueil, France, or to sebastien.bailly@asterale.fr. Failing a satisfactory reply within two months, you may refer the matter to the competent mediator. For financial investment advice: the AMF Ombudsman (Médiateur de l'AMF), 17 place de la Bourse, 75082 Paris Cedex 02 (www.amf-france.org/fr/le-mediateur). For insurance broking and intermediation, banking and payment services intermediation and property transactions: ANM Conso, 2 rue de Colmar, 94300 Vincennes (www.anm-conso.com, contact@anmconso.com).

ASTERALE, SASU (simplified joint-stock company), SIREN 921 855 508, 4 allée Django Reinhardt, 94110 Arcueil, France. Registered with ORIAS under no. 23 007 423 (orias.fr) as a financial investment adviser, member of ANACOFI-CIF, an association approved by the Autorité des marchés financiers, as an insurance broker (COA), as an insurance intermediary's agent (MIA) and as an agent of a banking and payment services intermediary (MIOBSP). Investment advice is provided on a non-independent basis. Professional licence « Transactions sur immeubles et fonds de commerce » no. CPI 8501 2023 000 000 004; no client funds held. Mediation: for financial investment advice, the AMF Ombudsman, 17 place de la Bourse, 75082 Paris Cedex 02, France; for insurance intermediation (COA, MIA), banking intermediation (MIOBSP) and property transactions, ANM Conso, 2 rue de Colmar, 94300 Vincennes, France. The French version prevails.

Information sheet updated on 6 October 2026

ASTERALE, 4 allée Django Reinhardt, 94110 Arcueil