



## PROPERTY TAX REDUCTIONS

# Denormandie

The tax reduction for buying and renovating an older home in a town centre.

The Denormandie scheme gives a tax reduction for buying and renovating an older home to let, in towns whose centres are losing residents.

**OVERVIEW**

The buyer of an older home in an eligible town carries out works amounting to at least 25% of the total cost of the operation. The home is then let unfurnished as a main residence for six, nine or twelve years, within rent and tenant-income ceilings. The tax reduction is calculated on the cost price: 12%, 18% or 21% for six, nine or twelve years, within limits of €300,000 and €5,500 per square metre. The scheme has been extended until 31 December 2027.

**HOW IT WORKS****Purchase and works**

Older home, works of at least 25% of the total cost

**Unfurnished letting and reduction**

Six, nine or twelve years, reduction spread over the period

**End of commitment**

Property kept, let or sold

**KEY POINTS****Strengths**

Open to older property (the Pinel scheme was limited to new-build)

Town centres undergoing regeneration

Can be combined with other local schemes

Extended until 31 December 2027

**Points to watch**

Works to coordinate, with a risk of cost overruns

Restricted list of towns

Rental demand sometimes weak

**WHO IT IS FOR**

The Denormandie suits investors prepared to manage works in a medium-sized town, who care about the property's use value as much as the reduction. The local rental market should be studied before choosing the scheme.

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## WORKED

## ILLUSTRATION

### Example based on assumptions

Assumptions: an investor buys an older home for €150,000 in an eligible town and carries out €50,000 of works, or 25% of the total cost. For a twelve-year commitment, the reduction is 21% of €200,000, or €42,000 spread over twelve years (€3,500 a year). The cost price taken into account is capped at €300,000 and €5,500 per square metre.



**Sébastien Bailly**

Founder, ASTERALE

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

[sebastien.bailly@asterale.fr](mailto:sebastien.bailly@asterale.fr)

+33 6 28 54 13 74

[www.asterale.fr/en/](http://www.asterale.fr/en/)

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The tax advantage depends on strict compliance with the legal conditions (duration, ceilings, zoning, tenants, use). Failure to comply leads to its recovery, with late-payment interest. Except where stated, it falls within the overall cap on tax advantages. Risk of capital loss on the underlying asset, limited liquidity during the commitment and exposure to changes in tax law. An operation should be assessed on all its features, including the tax reduction.

### Complaints and mediation

Any complaint may be sent to ASTERALE, 4 allée Django Reinhardt, 94110 Arcueil, France, or to [sebastien.bailly@asterale.fr](mailto: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](http://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](http://www.anm-conso.com), [contact@anmconso.com](mailto:contact@anmconso.com)).

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