



PROPERTY TAX REDUCTIONS

Monuments historiques (historic monuments)

Deduction from overall income of restoration works on a listed or registered historic building.

The historic monuments regime allows restoration works on a protected building, kept for fifteen years, to be deducted from overall income without a ceiling.

OVERVIEW

The owner of a building listed or registered as a historic monument deducts restoration and maintenance works, and loan interest, from overall income without a ceiling. The deduction depends on conditions relating to public access or the use of the building. The owner undertakes to keep the building for fifteen years. Works are authorised and monitored by the historic monuments administration.

HOW IT WORKS**Purchase**

Listed or registered building

Authorised works

Deduction from overall income, without a ceiling

Holding

At least fifteen years

KEY POINTS**Strengths**

Full deduction of works, unlike the Pinel or Malraux reductions

Outside the overall cap on tax advantages

Exceptional heritage property

Points to watch

Fifteen-year holding commitment

Works authorised and supervised by the historic monuments administration (DRAC)

Heavy, ongoing maintenance costs

Very low liquidity

WHO IT IS FOR

The regime is for very high earners who want to restore, live in or let an exceptional building, and who accept lasting maintenance costs and very low liquidity. Unlike the Malraux scheme, which gives a tax reduction, it works through a deduction from overall income.

WORKED

ILLUSTRATION

Example based on assumptions

Assumptions: a taxpayer with a 45% marginal rate buys a listed monument for €1 million and carries out €800,000 of authorised restoration works over four years. That is €200,000 a year deducted from overall income, saving about €90,000 in tax a year at the marginal rate. The holding commitment lasts fifteen years and maintenance costs are ongoing.



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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. 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).

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