



IS IT THE RIGHT TIME TO BUY A PROPERTY IN LUXEMBOURG ?

A lot of positive news are currently hitting the Luxembourg real estate sector. So the question does indeed arise: Is now the right time to buy a property in Luxembourg?

Let's take a closer look at these positive news.

Interest rates on mortgage loans, continued to drop in August, according to the Central Bank of Luxembourg communication of 9 October 2024 . Indeed, the variable interest rate and the fixed interest rate for loans of more than 10 years both dropped by 1 point, reaching respectively 4.48% and 3.88%.

Secondly, the finance minister announced during the presentation of the state budget for 2025 that registration fees for the acquisition of a property will drop from 7% to 3.5%, between 1 October 2024 and 30 June 2025. This will apply to existing properties and to sales in future state of completion (VEFA, ventes en état futur d'achèvement), but only if the purchase concerns a main residence. In case the purchase is made by an investor, the measure will only apply if it is a VEFA.

To reduce the incidental expenses associated with the purchase of a property, the government introduced a tax allowance—known as a tax credit —on registration fees for anyone wishing to purchase a property for personal use. (“Bëllegen Akt”). This tax credit is limited to EUR 30,000 (EUR 40,000 for notarial deeds signed between 1 January and 31 December 2024) per property buyer and is subject to certain conditions.

We recall that property prices had a year-on-year fall of 8.3%, according to data published on 3 October 2024 by Eurostat. which was confirmed by Luxembourg's statistics agency Statec. This is the biggest drop among the 27 EU member states.



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