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Nice, le 14 février 2019

## **OBJET : REAL ESTATE PROPERTY**

Public authorities encourage homeowners to renovate their homes.

### ENERGY TRANSITION TAX CREDIT

Expiring on 31 December 2018, the energy transition tax credit (ETTC) is finally extended by one year, i.e. until the end of 2019. This credit allows taxpayers to receive credit benefits on income tax on the costs of improving the environmental quality of their main place of residence if it was built more than 2 years ago.

In addition to this, the list of expenses that fall under the ETTC has been increased. Thus, the benefit of the tax credit is restored for the acquisition of thermal insulation materials for double glazing, replacing single glazing. Expenses for the installation of heating equipment using renewable energies, as well as the expenses paid for the removal of an oil tank, also became subject of the ETTC.

Moreover, it should be noted that the eco-loan at zero rate, that allows to finance work on the energy renovation of housing, has been extended until December 31, 2021. There is also a simplification of this mechanism: removal of the condition of work package,

alignment of the condition of age of housing on that applicable to ETTC.

#### CENTRES-VILLES PLAN

Although the plan expired on December 31, 2018, the tax cut at “Censi-Bouvard” was extended for three years, that is, until the end of 2021.

It should be noted that this disposition allows some renters of furnished housing for non-professional purposes to enjoy the benefits of income tax for 9 years, the rate of which is set at 11% of the cost of housing, maintained at a rate of 300.000 euros per year (regardless of the number of housing) .

#### RENOVATION OF CITY CENTERS

The “Pinel” disposition on property tax exemption applies to old housing located in municipalities, where the need for the restoration of housing in the city center is particularly marked. In particular, taxpayers who purchase real estate from January 1, 2019 to December 31, 2021, restored or falling under restoration, can benefit from a tax reduction. It should be noted that these restoration work should be billed by companies, the amount of such bills should represent at least 25% of the total cost of the real estate transaction. However, the contours of the disposition still remain to be defined by decree and by-law.

It should be noted that the tax reduction is calculated on the cost price of housing (within certain limits) and at a rate that depends on the duration of the rental commitment chosen by the investor (12% for 6 years, 18% for 9 years or 21% for 12 years).

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