

Luxembourg topping table of least expensive countries to buy your home in

Research conducted by Taxand, the world's largest independent global network of specialist tax advisors to multinational businesses, has shown that Luxembourg is one of the least expensive countries in the World in which to sell a residential property, with less than 12% (11.68%) of the value swallowed by tax.

The tax rate is the fourth lowest of the 23 countries analysed in the research but is still more than two times the tax rate in Malaysia which topped the table with a rate of 5.40% when selling a residential pro-

perty. Other countries with a considerably low total tax take for the sale of homes included the UK (6.39%), Poland (11.04%) and India (12.09%). This low tax take on a residential property sale in Luxembourg is predominantly the result of the low rate of income tax combined with a relatively low VAT rate on residential sales, and is a significant factor for property investors to consider when looking to generate the greatest return on investment given the exorbitant tax rates of some neighbouring European jurisdictions.

On the other end of the scale, the research identifies France as the most expensive location to sell a residential property where the tax take from the income of the sale stands at a astoundingly high rate of

22.03% and the Netherlands is not far behind with a total tax take of 21.25%. Portugal, Germany, and Turkey are countries also boasting relatively high tax rates for the sale of residential property with rates of 20.87%, 19.82%, and 18.92% respectively.

Laurent Grençon of ATOZ Taxand and Global Head of Indirect Tax commented: "Purchasing a new home in Luxembourg is a relatively low tax transaction mainly due to the generous VAT regime on new residential accommodation. The benefit of this initial tax break declines over time, but it still makes Luxembourg one of the cheapest places in Europe for an individual to buy (or for a developer to sell) a new house." Keith O'Donnell of Atoz Taxand and Global Head of Real Estate at Taxand also commen-

ted: "Our research throws up some interesting trends with regards to residential property within Europe as well as worldwide. Perhaps most interesting is the disparity shown in the rates within Western Europe with France topping the list alongside the Netherlands, Portugal, and Germany. Property investors may well be surprised by these results and in light of them consider a shift in their investment portfolios to less tax-heavy jurisdictions in order to boost overall profits. Certainly, with governments expected to reverse previous tax concessions in order to generate revenue, a growing number of investors could be tempted by the attractiveness of countries already exhibiting a lower tax take."

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