



## Tips on buying a property

### 1. Buying a house

- ✓ View a number of properties and set clear parameters - don't be pushed by the Agent. The best way to do this is to write a list of the key things you are looking for in a property, the extras you would like if you could get them, and the price range you can afford. Look in an area at the properties you can get for the money and decide whether you are getting what you want.
- ✓ Perfect house? Consider a survey. Remember major defects mean major outlay. Try to get a good roof and electricity / drainage – these are the key areas where money will disappear if you don't get it right. Other essentials is making sure the house is sound – especially if the house is built of *masse*, which is a mud/mortar material used a lot in northern France.
- ✓ Make an offer - do this via your Agent. Beware of properties that include a 'cash proportion'. This is illegal evasion of Capital Gains Tax. Consider the repercussions of agreeing a cash proportion: the official price you pay for the property will be the figure given over through the Notaire; this is the price you have paid for the property and will be used in the future for the calculation of your CGT when you sell it. In this way, you are paying for it twice; if you get caught, you and the vendors are guilty of tax evasion. Offers are made and confirmed in writing, in French. This can be done by fax and this is also a good time to provide your agent with copies of your passports for identification.
- ✓ You will need to provide your name, address and occupation. The *Offre d'Achat* also details the agent, the vendor, the offer price and the details of the property (including the description).
- ✓ Offer accepted - get a French bank account as soon as possible. The French use cheques everywhere and an account is essential. Try a major bank and get your helpful Agent to assist. Choose one of the majors who are used to foreigners! Britline is an example of a UK bank fronting accounts in France for people buying property. Also consider a Nationwide account in the UK to transfer money without fees / commission with a reasonable spread. You will need to be aware that money transfers can take a while from the UK and usually require a form to be completed by most UK banks. French accounts provide the IBAN (International Bank Account Number) for the account, which makes life easier.
- ✓ *Compromis de Vente* - 10% deposit due at this point. Non-refundable unless a major defect occurs (such as termites). You are now committed to purchase, as are the Vendors to the sale (if they pull out for no reason, they are liable to pay).
- ✓ Notaire's Fees - the Solicitor will act for both parties and will charge fees. Allow about 15 - 20 % on top of your purchase price for the discharge of these formalities and other costs. Unlike the UK, the Notaire will not automatically draw your attention to details - you need to ask the right questions at the right time. If you do not speak French get your Agent's help or hire a translator (some Notaires can provide this service) – remember, this is a house you are buying and the outlay may be worth it. If you are purchasing a property from several interested parties (due to a divorce or split inheritance) you are likely to find the

purchase takes longer and uses a number of additional Notaires as each party can appoint a separate Notaire. In such cases, the purchaser will be liable for 50% of the fees. If any of the Vendors disagrees with the sale, the price, etc, they can draw a halt to the sale. Usually, this would happen prior to the Compromis.

- ✓ Remember: if you have agreed a cash amount with your Agent this will not be declared to the Notaire and will not form part of your purchase costs. This means you will bear the cost of this amount when you sell and have to declare your CGT liability. If you forget this during the completion stage and ask your Notaire why he is quoting a lower price on the documentation than the one you have agreed you are heading for trouble...! We do not recommend you follow this course of action and suggest you walk away if it is suggested to you by either the Agent or the vendor.
- ✓ Completion and exchange usually takes place in a formal meeting of both parties at the Notaire's office. It usually takes about an hour. Although you are able to ask the Agent to act on your behalf (by confirming in writing to the Notaire), it is worth going to the Completion 'ceremony'.
- ✓ You will need to confirm at this stage that you have the house insured (and may need to provide a copy of the insurance policy/certificate). You have a legal obligation to insure the property from the time of purchase onwards.
- ✓ At the ceremony you will receive a confirmation of purchase, which you will need if the local neighbours wonder what you are doing at the property and call in the gendarmerie.
- ✓ You will also receive the keys, as you own the property at the end of the proceedings.
- ✓ Deeds - will be kept by the Notaire's Office, who will also ensure all Registry matters are completed. A copy will be provided on request and once the Registry formalities are completed you should be offered a copy by the Notaire (for collection not post). Any refund on fees will also be paid back by the Notaire at this stage.
- ✓ Now the hard work starts – you own a French house and it's going to need some restoration.