

Purchasing a property in France

Introduction

Prior to committing yourself to a purchase in France, you should make sure you are familiar with the French purchase process. This chapter is intended to give you a general understanding of a French purchase and to highlight the key points to be aware of at each stage of the process. The aim is to provide a general overview and should not be seen as a substitute for obtaining specific legal advice relevant to your particular case.

“But it should be fun!”

A common misconception with English purchasers is to assume that the French system will be the same as the UK conveyancing process with which they are familiar. This is in fact a dangerous assumption as there are a number of marked differences and purchasers should take the time to make themselves familiar with the French purchase process prior to proceeding.

Care should be taken not to place undue reliance on the estate agent, who is not a legal adviser and may not always be able to explain the issues to you. Added to that, is the additional problem of the language, as however well you do speak French, legal French is another language!

A buyer should also not overlook the cultural differences in purchasing property in France and this, compounded with the same uncertainties and frustration with which you will be familiar in the UK conveyancing process, means that additional care and time will need to be taken at the beginning. After all, whilst this may be your holiday home, it also represents a significant investment and you will need to put in place the necessary checks and controls in order to satisfy yourself that your investment is sound.

At the outset, you should also understand the role of the Notaire in France, which cannot be compared to that of an English solicitor.

Notaire:

The Notaire is a public appointed official, one of whose main tasks is the collection of taxes on the transfer of property on behalf of the government. He is paid according to a scale rate set by the law and according to the value of the property. He may also charge additional fees when he considers he has been involved in work over and above the standard purchase for which he has been paid.

You are free to choose your own Notaire and should not necessary agree to use the same Notaire as the Vendor. The agent may often suggest this and it can be useful as it avoids delays in some cases. However, it is often safer to appoint your own Notaire who will have your own interests at heart, particularly when the Vendor's Notaire has been the family's Notaire for a number of generations, as you will of course be the outsider.

The Notaire's role is to ensure the transfer of property is effected, the transfer deed records the position and the relevant tax paid. His primary role is not that of an advisor, although if specific questions are put to him, he should be in a position to reply to you.

First Steps:

Checklist for buying a house:

The first basic point to remember is you are on your own! There are no routine pre-contract enquiries carried out by the Notaire prior to signature of the contract and indeed often you will be required to sign a contract prepared by an agent at a very early stage in the transaction.

Therefore, once you have identified a potential property, you should draw up a list of questions to which you require answers prior to proceeding further. Questions which are often relevant would be:

Is there planning permission for the property? If the Vendor has built an extra bedroom or converted an area into living accommodation, you should check he has obtained the necessary permission and building insurance.

Does the swimming pool have a safety certificate? If not, this could be additional expenditure for you.

If the property has a septic tank, does it comply with the new French regulations, as otherwise you will be responsible for putting in place a system which does comply and which can be expensive.

You should also research your chosen area: e.g.

Is the property in an avalanche or flooding zone? What are the risks?

Is there any chance of a new road, motorway or rail link being built in the foreseeable future which might affect the property?

What are the planning proposals for the adjoining property? Are you in a zone where the planning regulations restrict building generally? You should take care here, as even though an area can be zoned as non-constructible generally, there are a number of important exceptions, eg. agricultural uses which may nevertheless blight your enjoyment of the property in the future.

Survey:

Myth: “French people don’t have surveys carried out”

There is a general myth perpetuated by estate agents that French people do not have surveys carried out. This is because the surveyor as we know him, does not exist in France. This does not mean that a French buyer will not have the property inspected by an architect or other building professional prior to making a decision to proceed.

When: Prior to signing contract.

There are a number of English surveyors operating in France whose details can be found on the RICS website “www.rics.org”. Alternatively, for a smaller modern property, a reduced level of report carried out by a network of architects under the ADIA umbrella may be of use to you. However, please bear in mind that their inspection will take the form of a multiple-choice printed form type report and it will not necessarily reveal all defects at the property. It is often referred to as a “health-check” of the property, but in no way can be compared to a full structural survey.

ADIA’s details can be found at the end of the chapter.

Making an offer:

How do you make your offer? In the same way as in the UK if you are dealing directly with the Vendor, you will make an offer directly to him or if not, through the agent who has introduced you to the property. The agent in this case, may wish you to sign a written offer and you should be careful to ensure that this does not take the form of a contract to purchase but is purely an offer subject to conditions and which can be accepted by the Vendor within a certain timeframe.

What conditions do you want to impose?

You should consider, prior to making the offer, so that the Vendor is forewarned, the conditions you will wish to impose, e.g. a surveyor’s report, quote on repair works.

In the past, written offers were often dangerous for a purchaser as he could be held to be in a binding contract and not be able to withdraw if he subsequently changed his mind. Since the mandatory cooling-off period was introduced by the Loi SRU (see later), the offer is not binding on you the purchaser, should you decide to withdraw prior to signature of the contract.

Beware if you are in a multi-agency situation, as either deliberately or inadvertently, you may find that another agent has also presented a purchaser at the same price and both of you are going ahead as if you are the purchaser. This does explain the pressure which agents often place on purchasers when they know themselves to be in a multi-agency situation, when they fear their competitor may produce another purchaser able to sign the contract in a briefer timespan than you.

Buying a flat:

If you are buying a flat there is additional information which you will no doubt wish to see, such as the last three years accounts and the minutes of the last General Meeting of the co-ownership. You should also ask for details of the current service charge and any sinking funds. In a small co-ownership, it is important to establish that the co-ownership is correctly functioning and there are no disputes. It is particularly important, e.g. for insurance purposes that the building is insured as a whole and the co-ownership manages this type of expenditure on behalf of all owners.

The sinking fund which has been established during the Vendor's period of ownership may be reimbursable to the Vendor at completion. Unfortunately, this figure is often only revealed very late in the transaction just prior to completion and can represent a significant sum to have to find at that stage. You should therefore enquire of the Managing Agent as to the position at an early opportunity.

Loi Carrez: (Loi no 96-1107 du 18 décembre 1996)

The *Loi Carrez* provides that a vendor must guarantee the surface area of the flat (but not the cellar, parking space, etc.). If the actual surface area is less than 1/20th of that declared by the vendor, in accordance with the law, the vendor must if requested by the purchaser, reduce the price pro rata by the shortfall in the area. This is all very well in theory, but in practice enforcement is a problem and is expensive.

Warning: If the agent has advertised a flat for a particular surface area and you subsequently receive a certificate which states that the property has a significantly less area, you may wish to renegotiate the price. This is often the case with apartments where the surface area has a direct bearing on the value of the property.

Case Study:

Mr A. and Ms D. had agreed to purchase a small flat in the Alps having a surface area of 35m². The price seemed quite high but they felt this was comparable with properties of the same surface area they had seen for sale in other agencies. At the stage of signing the contract, the certificate produced for the *Loi Carrez* (see above) showed the actual surface area to be significantly less than that stated by the agent. On the advice of their solicitor, Mr A. and Ms D. raised the matter with the agent, who was in agreement that her marketing information had been misleading and after discussion with the Vendor, it was agreed to reduce the price by 5,000 euros.

Co-ownerships in France:

The management and running of flats in France is strictly laid down by the law *Loi no 65-557* of 10 July 1965 and provides a safe and efficient means of regulating the rights and obligations between the owners, subject to a purchaser making the necessary checks prior to deciding to proceed.

Under the co-ownership system you become the owner of your flat and the co-owner of the common parts in the fractions set out above. The co-ownership scheme is governed by two documents, the *règlement de Co-propriété* and the *Etat Descriptif*.

Theoretically, a co-ownership will be run as follows:

1. By an assembly of co-owners - *Syndicat de Co-propriétaires*. The owners must meet at least once a year in order to approve the budget and to pass it by vote and also to agree on any work to be carried out.
2. The *Syndic de Co-propriété* is a managing agent appointed by the co-owners' assembly to manage the building. The managing agent is responsible for dealing with insurance, recruiting any personnel, dealing with maintenance contracts and obtaining quotes for repairs. In addition the managing agent is responsible for the accounting side of the *Syndic* and issues demands for payment of the service charges and so on.

The managing agent should be able to supply you with the last three years' service charge accounts and minutes of the Annual General Meeting if the Vendor is unable to provide these.

You will be responsible from the day of completion for the service charges in the future. The cost of any works whether carried out or not and decided by the general assembly of the co-owners prior to completion will normally be the responsibility of the Vendor. The Notaire's office will obtain confirmation on completion that the Vendor has paid the service charges up to date. If they are not paid up to date the Notaire will pay the outstanding sum to the *Syndic* before sending the net sale proceeds to the Vendor.

The co-ownership has an obligation to insure against fire and third party liability and other risks; you will be required to effect your own insurance as regards the contents and the other risks as owner of the flat (e.g. water damage to an adjoining flat).

Case Study:

Mrs P. wanted to buy a flat in a small block with only two other flats. The agent had informed her the co-ownership was not functioning and no Managing Agent had been appointed. As a result each flat owner had taken out his or her own insurance policy. This was a serious problem for Mrs P. as if a claim were to arise affecting the common parts, e.g. roof, whose insurance would pay?

Potentially this was a deal breaker. A solution was found as Mrs P's solicitor was able to negotiate a condition in the contract that the Vendor had to ensure the property was insured by a policy taken out by all co-owners prior to completion.

See also later for specific advice on buying a property off-plan.

Securing the deal

So your offer has been accepted – What happens next?

You will normally receive a *compromis de vente* with various annexes prepared by the agent for you to sign. This is the equivalent of a binding contract to purchase and you should not consider signing it without having taking advice on the nature and effect of the obligations it contains. You should take time to ensure that the property is correctly described, and you are happy with the obligations and conditions related to the purchase.

Alternatively, often in the Parisian region, a *promesse de vente* will be signed and is more often seen when a Notaire draws up with the contract. It is similar to a *compromis de vente* except that the contract is made in the form of an option given to the purchaser to complete the purchase within a given period, failure to do so resulting in the loss of the 10% deposit.

Often, particularly for smaller properties, it will be the agent who draws up the contract. If you are given a choice it is preferable for the contract to be drawn up by the Notaire, as for the most part it will then contain fuller details, e.g. reference to rights of way. It will also contain a number of detailed contractual provisions relating to the purchase of the property generally which provide greater protection if, for instance, one party were to delay completing. Agent's contracts do vary in style and accuracy and although these can be perfectly satisfactory, in some cases they can prove dangerous as the agent has, in the interests of expediency, reduced the contract to a very simple form which does not cover all eventualities and may not even adequately describe the property.

The contract will for the most part contain an amount of standard information, e.g. price of the property, description, date for completion etc. You should consider whether there are any additional clauses you wish to be added in, such as for instance, a declaration that the Vendor does not have any disputes with the neighbours or planning authorities. You may also require a condition precedent to be inserted on your behalf without which you will not proceed. These clauses have to be very carefully drawn, as if they are imprecise, the whole contract can become null and void. You could, for instance, make it a condition of the contract that the Vendor installs a security alarm for the swimming pool at his own expense and produces evidence of this at completion.

You should consider carefully if there are any conditions which you do wish to be inserted as any matter which is not included at the contract stage will not necessarily be covered for completion and you will be required to go ahead in any event.

The agent will often suggest that a *condition suspensive* may be put in for your benefit which enables the contract to be signed at an early stage conditional on a certain event happening. However, a Vendor may have little incentive in agreeing a clause which for instance, states that you obtain planning permission for certain proposed works as this will make the contract uncertain for a period in excess of four months and he may well not wish to incur this delay.

Loan arrangements:

Loi Scrivener (Loi no 79-596 du 13 juillet 1979)

French law entitles a person buying a residential property to insert in the purchase contract a clause stating that they will not proceed unless they can obtain a loan. Therefore, if you insert a clause to this effect and your loan is subsequently refused, you should be entitled to your deposit back and be able to walk away from the contract without penalty.

Strict conditions have to be observed in this case. For instance, you would need to make sure you have proof that you applied for the loan within a certain timeframe. Regular problems are encountered with the obtaining of finance in France. For instance, it will normally be a condition of granting the loan that you obtain life insurance. If you have a medical problem, this can delay the loan offer beyond the date by which you have to have obtained the loan for the contract or it can mean the insurance is very expensive. Generally speaking, it should be noted that French lenders are subject to much greater control than we have been used to in the UK in recent years.

Care should be taken where the bank does not issue a formal refusal but merely informs you that they do not have all the necessary information to be able to make an offer, as this will not count to enable you to get your deposit back. Please also be aware that there can be delays in obtaining reports through UK medical examinations and again these too can prejudice the date by which you have to obtain the loan in the contract.

Warning: In order to have your deposit returned to you due to a failure to get finance, you have to have acted in good faith, have provided all the information that was requested of you and have complied with all deadlines. This is not easy in practice.

Deposit:

A deposit will normally be payable on signature of the contract as a guarantee that you will complete the purchase. Preferably the Notaire who is acting on the transaction should be the custodian of the deposit. Alternatively, most reputable agents are insured to receive deposits.

The deposit will guarantee your intention to go ahead and will be forfeited to the Vendor if you do not complete at the stated date if all the contract conditions have been satisfied.

You will get your deposit back either if you exercise your right to withdraw within your 7-day cooling-off period (see later) or if one of the conditions have not been satisfied, eg. you do not obtain your loan within the relevant timeframe.

Traditionally, a deposit would amount to 10% of the purchase price excluding the agent's commission. This is often reduced to 5% in discussion with the agent.

Purchase of a property off plan (*vente en l'état futur d'achèvement*)

Here the procedure is quite different and sometimes hazardous. As a purchaser, you need to be aware of the many uncertainties that you could face at some stage in the process.

Be aware of the following potential dangers and traps:

- Check the details of the vendor. Is it a company, if so it is properly registered? Has he a good track record for building quality constructions?
- Do you have any financial guarantees from the vendor that he will be able to start and complete the project?
- Has the Vendor obtained planning permission for the project? If not when does he anticipate getting this?
- Check the specifications of the construction which are often vague and insufficiently detailed. There is therefore often no guarantee with respect to the quality of the property you plan to buy.
- Check the plans are 100% correct.
- The reservation contract rarely contains a penalty clause for late completion which leaves considerable liberty for the developer.

Despite the risks mentioned above, you, as purchaser, will benefit from a number of guarantees provided by law.

The *reservation* contract falls under the French legislation of the 3rd January 1967 incorporated into the Construction and Habitation Code (under articles L 261-1 to L 261-22). The contents of the reservation contract and the purchase deed are strictly determined by the law and as purchaser you will benefit from a number of guarantees (see below).

A further advantage of buying a property off plan is that the planning permission should be clear and unappealed by the time you sign the purchase deed.

Particularity of the reservation contract:

Strictly speaking, the reservation contract is in fact a right of preference to purchase the property rather than a contract of sale. And for these reasons, the *reservation* contract must contain an amount of compulsory information, described below.

Checklist for the contract :

- It should specify the approximate habitable area, the number of rooms and the location of the property if you are buying a flat. The composition of the building should be detailed in a “notice technique”(specification) and this and the full plans should be annexed to the contract
- It must provide for the price to be paid in instalments as the building progresses and the method of financing
- It must provide details of the guarantees covering the building and completion guarantees
- It should provide a scheduled date of completion of the building and a condition should be inserted to provide a penalty for late completion (in practice this is rarely the case and completion of the building and of the communal parts - parking, gardens, roads, etc. is often delayed).
- The deposit itself is limited to either 5% of the total price if construction is to be commenced within one year or 2% if it is to be commenced within two years. Please note that no deposit should be requested if the construction timetable for the start of building exceeds two years. Payment must be made to a stakeholder account.

If the property to be purchased forms part of a larger building development, then provision should be made for the maintenance of the common parts and in that event, the reservation contract will normally refer to a *règlement de copropriété* which will be drawn up for completion. The purchaser will be subject to the rules and regulations of this document. It is advisable to request information regarding the possible level of service charges before you sign a contract. It is also advisable to obtain a copy of the planning permission and to obtain confirmation of the Vendor's Bank guarantee, to guarantee completion of the works in the event that he falls into financial difficulties.

The law also provides for a cooling off period of 7 days. Once you have signed a reservation contract, you could in fact serve notice within 7 days that you wish to change your mind by advising the Vendor, by recorded delivery letter.

If you withdraw from the purchase due to one of a defined number of circumstances, such as failure to obtain a loan, then the deposit will be returned to you without any penalty. In all other circumstances, if you decide not to proceed with the purchase after the 7 day cooling off period, then you will forfeit your deposit. You will not be liable beyond this for any further losses incurred by the Vendor

Guarantees provided by Law:

As a purchaser you will benefit from a number of guarantees, the most important of which are:

- *Garantie d'achèvement*: this is a guarantee given by the Developer/Vendor that the property will be completed. Note that this can either be supported by an independent Bank guarantee (*garantie extrinsèque*) that will ensure that the building work is completed or will be provided by the developer (*garantie intrinsèque*) if a certain percentage of the development has been completed and any loan repaid. He should in that case effectively have financing to complete the project
- A ten-year warranty against **structural defects** which are compulsorily underwritten by insurance.
- A two-year warranty against defects which do not affect the structure. This mainly relates to **equipment** like plumbing, central heating, etc
- *Assurance Dommages-ouvrages*: the Vendor must effect compulsory insurance so that in the event of a valid claim being made, you do not have to prove the liability of the Developer/Vendor. The Insurance Company will then seek to recover from the Developer/Vendor any payment made to you in settlement of your claim.

Tip: Ask questions BEFORE you sign

Make your own enquiries and do not just rely on the Developer's Agent

Cooling off period:

The *Compromis de Vente* becomes legally binding only when it has been signed by both the Vendor and the Purchaser. The law, "Loi S.R.U" (**Loi n° 2000-1028 du 13 décembre 2000**) relates to residential property acquisitions and provides for a cooling off period. This means that after the contract has been signed by both parties, a copy will be handed over to you or notified to you by post and you then have seven days following the date of the reception of the notification in which to withdraw from the contract. Provided that you comply with the procedure laid down by the law, you are entitled to the return of your deposit if it has been sent to the Notaire or Agent at that time.

Please note from a practical perspective, it is not clear at the present time if the notification to withdraw must actually be received by the Notaire / Agent within this same period. As a result, it is advisable not to wait until a very late stage to reach a decision to withdraw.

A similar cooling-off period exists for a new build reservation contract.

What next?

Once you have secured a binding contract to purchase the property, you will need to look at the different methods of purchase open to you, taking into account your family situation, your intentions for the property and possibly, tax and inheritance rules that will apply to you.

You would be advised to consider the matter in detail as soon as you have signed the contract and for more information, you should refer to [reference Nathalie's chapter]

The costs

The purchase costs for the transaction are as follows:

The Notaire's fees

The Notaire's fees, disbursements and taxes amount to approximately 6.5% -7% of the purchase price if the property is more than 5 years old.

For new build property, French VAT (TVA) at a rate of 19.6% is usually included in the purchase price and you would also be liable for notaire's fees at a reduced rate of 2 to 3 % of the purchase price.

If you are financing the purchase with a French mortgage, additional notaire's fees will be payable, the amount of which will be known before completion depending on the charge the bank is taking on the property.

The Local Taxes

There are two main annual local taxes known as *taxe foncière* and *taxe d'habitation*.

- the *taxe foncière* is a local land tax which is payable by the owner of the property.
Please note that generally new build properties are exempt from this tax for the first two years commencing on 1 January following the date of their structural completion, provided the work undertaken has been declared within 90 days of its completion.
- The *taxe d'habitation* is a local residential tax and it is payable by the occupier of the property.

When you purchase a property, the vendor will be responsible for the *taxe d'habitation* as at the 1st January of the year and the *taxe foncière* will be calculated on a pro rata basis for the year. As purchaser, you will be asked to reimburse the Vendor the proportion of the *taxe foncière* from the day of completion up to the 31st of December.

Preparation for Completion

International Transfers

You should consider well in advance of the proposed completion date the manner in which you will transfer the money for the purchase price and costs. These will normally be made by bank transfer directly to the Notaire's bank account and you should discuss with your bank or other currency provider the best method of transferring the currency at the least cost to you and with the greatest speed.

In particular, care should be taken to ensure that the monies for completion are sent sufficiently in advance as there are often delays in the banking system and for the money to arrive in the Notaire's bank account without which completion cannot take place. The Notaire will inform you of the estimated amount due including fees and disbursements prior to completion.

Completion date

The contract will usually contain a long stop date by which completion should take place, e.g. no later than 31 December 200- rather than a fixed day.

Taxation

You should also be aware of the taxation issues which will be applicable to you as the owner of the property (income tax, capital gains tax, wealth tax etc) and you are referred to Jonathan Benford's chapter on taxation for further information.

Warning: It is unwise to make removal arrangements for furniture or transport for animals until your Notaire has confirmed everything is in place for signing. You should be aware that there are no penalties for late completion in France and a date can often be missed due to an administrative formality not having been completed or a document not having been received (unlike the UK).

Completion arrangements / Final steps

The completion deed (Acte authentique)

The completion deed or *Acte authentique* is the purchase deed which transfers the ownership of the property to you. Again, you should ensure that you are aware of the content of the deed and the obligations and responsibilities which will fall on you as the owner of the property. In particular, you will need to check out whether any easements affect you or any restrictions on the use of the property exist.

If you are in any doubt, you should not sign the deed until you have received all the information that you require.

It is normal in France to arrange to attend at the Notaire's office for signature when the purchase deed will be read out in the presence of you, the purchaser and the Vendor. A

translator should be present if you do not speak fluent French. Any last minute amendments will be agreed and the Notaire will then sign the deed after it has first been signed by you and the Vendor. The Notaire will not be in a position to complete the transaction unless he has already received full payment of all the costs, as notified to you and the purchase price.

Alternatively, if you do not wish to attend completion, you can appoint one of the Notaire's clerks or another person to represent you at the completion meeting and sign the papers on your behalf. (see further checklist for powers of attorney).

If you attend completion, then the Vendor will hand the keys over to you at completion. Alternatively, he may be represented by the agent who will have the keys. If you are not at completion, then you will need to make arrangements with the agent for the keys to be sent to you or to be made available to you at your next visit.

Warning: Prior to going ahead with the completion of the purchase, you should check that the property has vacant possession. Have all the items agreed to be left actually been left at the property? Is there any rubbish?

Is the condition of the property satisfactory or has it changed markedly?

Insurance choices

Under French law you will be given the choice of taking over the Vendor's existing fire insurance for the building. You therefore have the choice as to whether to take over the existing insurance or whether to take out a new policy with your own choice of insurer. The agent can often assist in this respect. It is often advisable to take out your own insurance to take effect from the date of completion, as you will then have made all the necessary declarations and you will be fully aware of the conditions attached to the cover that you have negotiated.

Amendments may also be required to an existing policy, due to the fact that your property may be unoccupied for extensive periods of time. If in doubt, ask.

Checklist for powers of attorney

Translation: You should obtain a translation of the power of attorney to ensure that you know exactly the meaning and effect of the document.

Notary Public: If the power is to be signed in the UK, you will need to make an appointment to sign in front of a Notary Public. A list of Notary Publics can be found at www.thenotariessociety.org.uk

Costs: You should check with the Notary Public prior to your visit the cost involved with his service.

Apostille: The Apostille will also need to be obtained on the power of attorney from the Foreign and Commonwealth Office.

Warning: There can be delays in the obtaining of the Apostille. Please make sure that your Notary Public is aware of the timeframe for completion so as he may obtain the Apostille in the shortest time frame and if necessary arrange for the document to be couriered back to France on your behalf.

New build Legal Completion:

The draft purchase deed should be supplied at least one month prior to completion (signature of the *acte authentique*). Again the content of this document is defined by law and should include the description, price, method of payment, payment provision to be made at completion and the guarantees that will be given on completion.

The completion document also contains information as to whether you are making a cash purchase or financed with a loan. It should include the details of the financing of the project by the Developer and the specifications of the building to be constructed, including the layout, the technical specifications and a copy of the co-ownership rules and regulations.

The completion document will specify the stage payments which will be payable as the work is completed, for example 35% may be payable on completion of the foundations, and a further 35% on the building becoming watertight.

You will become the owner of the land and the building on the date of completion, whatever the stage of construction reached. You will subsequently become the owner of the works as they are completed. The stage payments following completion will be requested directly by the Developer/Vendor, supported by an architect's certificate. At completion itself, the Vendor can only require to be paid the amount which equates to the stage of completed construction at that time.

When the building is finally finished you will be required to inspect the property and sign a *procès-verbal de réception*, a document acknowledging your acceptance of the building (a similar document will be signed for the communal parts by the *syndic* on behalf of all the co-owners). Being represented by your own architect at this stage can be advantageous to ensure that nothing is missed. The *procès-verbal* will often be appended with a snagging list (for work to be completed). The final payment (5%) or part of it should not be released to the developer until remedial work has been completed to your satisfaction and in accordance with the descriptive notice you originally signed. It should be paid to the Notaire's stakeholders account.

When only minor work is required, it may be possible to agree on a deadline with the developer (say within 2 weeks).

The *procès-verbal de réception* triggers the guarantees mentioned above which will take effect from that date.

Warning: You should make arrangements to personally visit the property for the snagging list to be prepared at the handover meeting.

What happens if I change my mind?

If you do change your mind about the purchase once you have signed a binding contract and you are outside of the cooling-off period (see earlier), then you need to take advice from a suitably qualified legal adviser as soon as possible. (Either your Notaire or a solicitor specialising in French property purchases). Normally your deposit will be forfeited and potentially you could be made liable for the Vendor's costs and be required to pay compensation for his other losses he might incur when he has to resell the property.

Purchase of land and separate building agreement

The purchase of a plot of land, with the intention of subsequently building a property is complex. The law provide less guarantees for a Purchaser and the whole project involves more risks than the *vente en l'état futur d'achèvement* (described above) where the Purchaser contracts to buy a new house or apartment in the course of construction.

A *compromis de vente* to purchase the land will be required and care should be taken to ensure that any purchase is conditional upon the signing of a building agreement and the granting of planning permission for the development you wish to carry out. This will then enable you to withdraw from the purchase, should you not be able to carry out your wishes for the property.

Again, the building agreement has elements of a compulsory nature required by law to be included. Payment of the price is laid down according to a payment schedule. However, particular care should be taken with the drawing up of the purchase contract and the building agreement and suitable advice should be obtained both from an architect and an experienced legal adviser.

Conclusion

Throughout the transaction, you should ensure that you receive proper advice from a duly-qualified lawyer as to the meaning and effect of the documents you are signing and ensure that your interests are protected. You also need to take advice as to any additional points arising due to your purchasing as a foreigner.

Once completion of the purchase has taken place, the Notaire can supply you with a certificate (*attestation*) giving details of your ownership of the property which is useful when dealing with the authorities in France as proof of ownership. The title deeds themselves will remain with the Notaire but a certified copy should be supplied to you (*expédition*) within approximately 6 months of the date of purchase.

And finally.....

Purchasing a property in France should not be undertaken lightly. Above all, never assume that the rules will be the same at any stage of the transaction as would be the case in the UK. It is true to state that most problems incurred with the purchase of French property can be avoided if care is taken at the beginning and the parties do not rush into signing a binding contract without the Purchaser first having obtained all the necessary information.

Although the appointment of a specialist lawyer with knowledge of both English and French legal systems can greatly assist in overcoming difficulties, don't assume the purchase transaction will automatically be a stress free experience as in this respect, the process does bear certain similarities with an English purchase!

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