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5 Steps to buying a property in France

When buying a property in France most purchasers would like to have some idea of what is involved in the legal process in order to purchase a property in France. Although many purchasers in the UK buying UK property don't understand exactly how the legal process works in this country and go ahead, leaving the whole thing to their solicitors, purchasers buying French property want to understand the steps involved and how the legal process works. So below are the 5 steps that are involved before you become the proud owner of a property in France.

1. Making an offer

Before making an offer, check with your agents as to what they suggest you offer. Is it guesswork or have they discussed the price with the owner or seen an earlier offer rejected? Has the price been reduced? Is the owner in a hurry to sell for his own reasons or has the property just come onto the market? Having seen several properties in the area, you may be in a good position to know if the property is well priced based on its location, size and condition. Bear in mind that if it needs some work, that the price will have been calculated to take this into account so that it might not be a good idea to try to deduct amounts for the work you would like to do from the owner's asking price nor is it reasonable to expect a reduction because you want to enlarge or change it. French vendors don't think and negotiate in the same way as in the UK, they sometimes have never bought or sold a property in their lives and may have inherited their home so that the negotiation can be a little more straightforward with not so much to-ing and fro-ing but you need to be careful not to offend with your first offer. Obviously every negotiation is different and much will depend on the area and type of property and vendor that you are dealing with. In some cases you may be asked to put your offer in writing so that they agent can show this to the vendor to prove it is a genuine and serious offer. The agent will often visit the vendor in person to submit the offer – business in France is very much more face

to face. You should make your offer clear as to what you are expecting to be included which could include any furniture, agency fees, notaire's fees and taxes - if you are not including them in your offer then make sure you know what these costs will be on top of the agreed price. It is also a good idea to state if you are a cash buyer or require a mortgage. If you require a mortgage state whether you have one agree in principal and what percentage of the price. Whether you prefer a short or long completion or are prepared to accept whatever suits the vendor. You may want to include certain conditions, which will be entered on the contract, and these should be stated at the same time so that they are accepted or not by the vendor which will save any misunderstandings. There are some conditions that may be accepted by the vendor but subject to you selling your property is not possible and if you want a survey you will normally be asked to have this done during your seven day cooling off period. By mentioning all of this you put your offer in the best possibly light to the vendor.

2. Signing the first contract

Once an agreement on price is reached you will need to sign a 'compromis' which is the first contract. If you are buying a new off-plan property you will sign a reservation contract (contrat de reservation). You will be requested to give your agent all your personal details, ie name, address, age, profession, nationality, whether you are single, married etc - the form that is filled in with this information is the 'etat civil'.

This information is then entered onto the contract together with details of the property, price, vendor's details, and date by which you must complete the purchase. If you are applying for a mortgage it will also have a conditional clause stating this with a time limit and may also include any other conditions that you and the vendor have agreed, eg subject to getting permission to build a swimming pool.

If you are not applying for a mortgage then you will be asked to write a paragraph in French (you will be given something to copy) confirming that no mortgage is required and that you have the funds available.

When both parties have signed this and a deposit paid (normally 10% of purchase price but on purchases of off-plan property it could be between 2 - 5%), you will then have a 7-day 'cooling off' period. Only the purchaser has these 7 days in which you may have a complete change of heart and pull out of the purchase for absolutely no reason and still receive your deposit back. The vendor cannot change his mind. At the end of the 7 days the contract is unchangeable and you would only be able to withdraw if your mortgage was refused or another condition in the contract is not met.

3. Mortgage

You will need to contact a mortgage broker who specialises in mortgages for French properties or a French bank direct in order to apply for a mortgage, you may have already be in contact and possibly have received an agreement in principal for a loan subject to the property you purchase. However you will not have been able to put in a formal application for a mortgage until you have signed your first contract and it will be necessary to send a copy of this with your application.

If you have stated that you will require a loan in order to purchase then this will be made a condition of the contract that you sign and will give you the possibility of pulling out should your application for a mortgage be reused. Hence the vendor will have to wait perhaps two to three months before knowing that the property will definitely be sold. This condition within the contract will make it subject to mortgage and will usually have a limited period of around two to three months for you to either get a mortgage offer or a refusal from a bank. Once you have your offer it will be confirmed to the notaire and the contract will become unconditional. If you get a refusal from the bank and you are not therefore able to proceed to purchase then this letter must be sent with a letter of retraction from you by recorded delivery to the notaire within the period given on the contract. The notaire will then be in a position to refund your deposit to you.

If you are not intending taking out a mortgage then you will have had to write a particular paragraph within the contract to confirm this. You can see that an offer that is not subject to mortgage is more appealing to a vendor as he does not have to wait the two to three months to know if you can proceed, ie the contract is unconditional.

At this point in time you also need to make sure that your personal contribution or the full amount if you are not applying for a mortgage, is available in Euros. It is a good idea to contact some currency exchange companies as well as your own bank to see what rates they can offer. Currency companies also offer the possibility of fixing a future rate for you so that you know exactly what your property will cost and wont have any nasty surprises before completion when you find out that the rate has got worse. In my opinion it is essential to fix the rate or buy the Euros as the point that you agree the price of your property so that you don't find that you need more Sterling than you thought to buy your Euros.

4. Signing the Final Contract

The next step will be signing the final contract – this can be done two months later or longer depending on what suits you and the vendor but the date by which you must complete will have been agreed and entered on the first contract.

During the time between the two contracts you will be arranging your mortgage or finances and perhaps choosing or thinking about furnishing your property or getting estimates for any works that you would like. The notaire must complete local searches and obtain various reports on the property from the vendor including lead, asbestos and termite surveys.

When the notaire has everything he needs including notification that your mortgage is available he will be ready to set a completion date. It is normal that both you and the vendor is present as well as your estate agent and, unless you are fluent in French, a translator will be necessary as the notaire must be sure that you understand everything. It is a good idea to arrange to visit the property the day before completion to check all is as expected and to see how things work, possibly meet the neighbours etc.

At the completion meeting the notaire will go through the contract and explain everything to both parties, he will provide the results of the various reports and local searches on the property, then if everyone is happy all parties at the meeting will have to sign several copies and initial what will seem like hundreds of pages. If your vendors are nice people and you have enjoyed dealing with them you might like to enjoy a glass of wine with them to celebrate – it is a good idea to be able to keep in touch with them in case you need some local knowledge or help with something in the property at a future date.

5. The proud owner of a French Property

You are now the owner of the property and normally the vendor will have vacated the property prior to the meeting and will hand over the keys to you at the end of the meeting. You will have a hundred things on your mind to deal with.

Don't forget insurance of the property – you can often take this over from the previous owner and your agent will sort this out for you.

You may want to arrange a telephone line and broadband connection and will need to visit a France Telecom shop to do so.

You will need to change the gas, electricity and water supplies into your name, however very often the vendor has already informed the utility companies of your name and they will send forms for completion. You may want them to take payment by direct debit and send the bills to your UK address and this is easily arranged.

Unless you have bought the furniture including the beds with your property, you will probably need at least another night in an hotel before you can move in. It is not a great idea of have a furniture van hovering on completion day, just incase things take a little longer than expected. But if you can arrange for deliveries the following morning you will have had time to possibly give it a clean up and decide where you are going to position things. Obviously beds are the most essential things if you want to move in, along with fridge and cooking facilities. Don't be too hasty in buying everything before you have

time to get to know the property and decide what you really need but as soon as you have got something to sit on, it is time to sit back proudly and enjoy your new home in France. (Our first meal at our French home was a take away pizza for 4 sitting on the patio steps in the sunshine – pizza never tasted so good – especially washed down with local rose)

If you would like more information on buying a property in France, please contact <mailto:sales@latitudes.co.uk>.