

# GUIDE TO BUYING A PROPERTY IN FRANCE

## 1 INTRODUCTION

What precautions should you take first ?

- Meet your lawyer ahead of your project and most importantly, do not sign **any** paper prior to consult him
- He will accompany you and help you to safely achieve your projects

## 2 WHAT DOCUMENTS DO I NEED ?

*2.1 ONCE AN AGREEMENT IS REACHED, PROVIDE YOUR ATTORNEY WITH :*

### **- Documents on your personal situation**

If you are an individual :

- A copy of your ID and of the other buyers' and intervenors (spouse, civil partner)
- A copy of your marriage contract or your pacs
- The civil status questionnaire duly completed

If you are a company :

- A certified copy of the updated articles of incorporation
- A certified copy of the Company's Register of Commerce
- A copy of the General Assembly which appointed the manager



- A copy of the General Assembly which has authorized the acquisition

### **- Documents on your funding**

The terms of your loan with names and addresses of your bank and the amount asked for or granted.

Copy of the bank's offers received at a date no later than the date previewed in the pre-contract.

The terms of your personal contributions :

- Savings, before or during the marriage or civil union
- Donation
- Inheritance
- Family loan

If a portion of the funding comes from the selling price of another property not sold yet, you must provide with a copy of the title of this latter.

### ***2.2 ON THE DAY OF THE PRELIMINARY CONTRACT***

You must be in possession of your check book :

- To pay a security deposit of an amount fixed by mutual agreement with the seller. It is usually equivalent 5 to 10% of the sale price
- And a provision for the costs that the Attorney and / or Notary will have to obtain from various administrations to prepare the final deed

### ***2.3 ON THE DAY OF THE FINAL DEED***

On the day of the acquisition, you must be in possession of :

- A certified check from your bank, at the order of the Attorney or Notary to pay the residual purchase price and costs



- Your check book to pay the pro rata refunds of the property taxes, and condominium or land plot fees
- A copy of the multi-risk home insurance policy

**CAUTION !** Married couples under a separation of goods contract, under a civil unions or under a joint ownership must indicate each buyer's proportionate share of the acquisition, ie the participation to the payment of the purchase price, of the acquisition costs, of the agency's commission and possibly of the cost of building and renovation works

**IMPORTANT :** Your Attorney will provide legal certainty to the relationships between the various intervenors (notary, real estate agent, banker), or even assist and represent you throughout the process. For this you have to sign and provide him with a power of attorney and have your signature apostilled on your home country.

### **3 THE MAIN TASKS TO BE PERFORMED BY YOUR ATTORNEY AND NOTARY**

- Prepare the preliminary contract
- Ensure your ability to acquire by obtaining birth and marriage certificates and, if applicable, the certificate of incorporation of your company
- Seek and obtain the consent of all persons necessary for the validity of the act (spouse, civil partner, co-undivided co-heirs, donees ...)
- Ensure the valid right of ownership of the seller by obtaining an official status of the property (on easements, mortgages ...)(“notes d’urbanisme” ...)
- Obtain the planning documents necessary to your information (note of urban information or planning permission, zoning, drainage, alignment ...)
- Obtain the authorization to sell from any holder having a right to its pre-emption on the sale (Public local authorities, safer, coastal agency,



- tenants, co-owners ...)
- Get the condominium or land plot legal and accounting situation (“état daté”)
- Prepare and send the draft deed of sale accompanied by a financial statement
- Arrange appointments for signature and ensure the release of the funds
- Obtain a certificate of origin of the funds in relation with anti-money laundering obligations
- Establish and settle the proportion of property taxes (“taxe foncière”), condominium fees (“charges de copropriété”) and rent which has to be paid by buyer and seller
- Ensure the registration of the sale in the administrative and tax records (including mortgage office) (at the “Centre des Impôts Fonciers”)
- Notify the syndic and tenant if any, by registered letter
- Send the copy of the deed constituting your title

## 4 HOW QUICKLY THE ACQUISITION CAN BE REACHED ?

Nothing prevents the parties to proceed directly to the sale of the property without first passing through the establishment of a preliminary contract (“compromis de vente” or “promesse de vente”).

However, it is customary to prepare a preliminary contract to formalize the mutual commitments between the parties and set the conditions and deadlines for completing the sale. Such a contract is also compulsory for a bank to grant a loan.

**IMPORTANT** : Under article 1589 of the french civil code, a preliminary contract binds the parties just as the final deed would. Do not sign anything until you have consulted your Attorney.



#### *4.1 THE SIGNATURE OF THE PRELIMINARY CONTRACT*

There is no minimum timeframe from the moment where the Attorney or the Notary is in possession of the title of property and the technical diagnostics.

The other documents required for the final deed, if provided at the time of the preliminary contract, will guarantee with more certainty the seller's commitment.

The prospective purchaser has a right of withdrawal, which runs for 7 days after the signature.

#### *4.2 THE SIGNATURE OF THE FINAL DEED OF SALE*

The date of the signature is subjected to :

- The delay in which the holder of a pre-emptive right can exercise its right (generally less than 2 months)
- The delay to obtain a financing. French law grants the buyer of a property a minimum of one month to get a loan offer and he can not accept this offer before a period of 11 days. It is customary to leave a period of 45 days to get the loan offer.
- These delays are not cumulative.

## **5 WHAT ARE THE COSTS BORNE BY THE BUYER ?**

- The selling price
- The taxes, ie transfer taxes paid to the Treasury : land registration fee ("Taxe de Publicité Foncière", registrar's salary ("salaire du conservateur des hypothèques"), VAT
- Taxes and fees, notary fees and disbursements related to the amount of acquisition costs ("frais de notaire") if applicable



- The notary's fees are partially determined and based on a rate set by the State
- Disbursements, ie the amounts paid to third parties (syndic, administrations)
- The cost of borrowing and collateral (mortgage or deposit)
- The commission of the Real Estate Agency
- Your lawyer's fees, if applicable

