

PROPERTY SALES : THE VENDOR'S OBLIGATIONS

1 DUTY TO INFORM

The seller of a property (apartment, house, land ...) has the obligation to inform the buyer. In general, it must transmit all the informations it holds on the property.

Some of these informations are expressly required by law. The courts severely sanction any failure of the seller to comply with this general obligation.

If the vendor hides one or more important information, buyers can get a price reduction or even an judiciary annulment of the real estate sale in the most severe cases.

The vendor is then ordered to refund the purchase price and sometimes sentenced to pay compensation to the buyer who has suffered damages (moving expenses or expenses to research another housing for instance).

It is therefore very important to respect these constraints. However, the list of informations that the vendor must provide the buyer grows continuously.

2 THE LEGAL INFORMATIONS OF THE PROPERTY

In legal terms, the vendor must, for example, inform the buyer of any easements (passage of view, drainage ...), mortgages or liens (taken in favor of a bank to secure a loan) or other encumbrances on real estate (like a pre-emption rights).



3 THE TECHNICAL INFORMATIONS OF THE PROPERTY

In technical terms, a vendor of a condominium for example has the obligation to provide the exact size of the housing, under the well-known “Carrez law”.

Mandatory for condominium sales or villas located in a lot subdivision or a domain, the rights and duties regulation (“*règlement de copropriété*” or “*cahier des charges*”), must be communicated to the prospective buyer.

The vendor must also, in some cases, provide information on the presence of termites, lead or asbestos through mandatory diagnoses of the property.

The vendor of a land on which the buyer has indicated its intention to construct a building for residential use or a mixed residential and business use, must specify whether a demarcation has been completed and informations on zoning restrictions and construction possibilities.

Moreover, when the Land is a lot subdivision or located in a domain, and is formed from a division within a area coordinated by a public authority, a reference to the description of the land resulting from the demarcation has to be included in the deed of sale.

The said demarcation is not really a boundary under the meaning of Article 646 of the French Civil Code, and can result from a non-contradictory statement, except for to the outer limit of the lots.

3 THE ENVIRONMENT OF THE PROPERTY

The environment in the property has also to be precisely described : possible existence of foreseeable natural disasters in the area (flooding, landslides), of zoning easements, conformity of the property’s individual sanitation installation, or if a nearby polluting activity is operated.



Finally, sales of building land by individuals (natural persons or companies subjected to the individuals capital gains regime) may be subject to a flat tax if the city council (or the competent legislative organ) took a resolution to this effect.

In this case, the person liable for the tax payment will be the vendor, and the tax will be equal to 10 % of 2/3 of the selling price and will be paid by the notary on behalf of the vendor.

The vendor's information duties are wide and its liability is important.

Those informations must be given to the buyer upon signing of the preliminary contract ("*compromis de vente*").

It is therefore important to be advised by a legal professional. Do not hesitate to meet with your Attorney and most importantly, do not sign without his advice.

Your Attorney will assist you in your project and help you achieve it safely.