



THE ALLIANCE OF INTERNATIONAL PROPERTY OWNERS'  
GUIDE TO PROPERTY BUYING IN

# *France*



# YOUR GUIDE TO PROPERTY BUYING IN FRANCE

## Guide to Buying Property in France in Association with AIPP

Buying a property overseas is a big decision which involves several steps and, of course, some thorough research. AIPO asked supporting partner and independent overseas property experts, AIPP (Association of International Property Professionals) to bring you answers to the most asked questions – and to share their top tips about buying a home abroad.



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### Who is AIPP?

**AIPP (Association of International Property Professionals)** is the trade association offering voluntary regulation of the international property industry, focused on the UK buyer. AIPP members adhere to a strict code of conduct in how they treat customers and are bound by **The Property Ombudsman**. AIPP offers all UK buyers & owners of a foreign property free legal advice from their Legal Working Group.  
**Search for an AIPP member here.**

# WHERE DO I START?

If you've decided to take the exciting step of owning abroad, France is a great choice for either a holiday home or a permanent country move – demonstrated by the 200,000 Brits who already own there.

With a good supply of affordable property, excellent long-term fixed mortgage deals and convenient travel, conditions are optimal. Nevertheless, ask yourself these three simple questions before you go any further:

**1. What are you primarily buying this property for?**

Is it a holiday home, a financial investment, or somewhere to eventually retire to?

**2. What do you see yourself doing while there?**

This might be spending relaxing time with your partner, hosting family and friends, indulging in sport and leisure or working.

**3. Which of these are most important to you?**

Is it budget, location, type of property or facilities? Once you have these answers you'll be clearer about what you are looking for and can move onto specifics.



## AIPP's Top 5 tips for buying in France

1. Do your homework thoroughly
2. Get an independent lawyer
3. Use a reputable foreign exchange company
4. Stay in regular contact with your team
5. Have a plan for future eventualities



# WHERE IN FRANCE SHOULD I BUY?

Historically, hotspots in France have been **Provence**, **French Riviera** and **Dordogne**. But if budget is an issue, steer clear of the south and concentrate inland where prices fall off sharply.

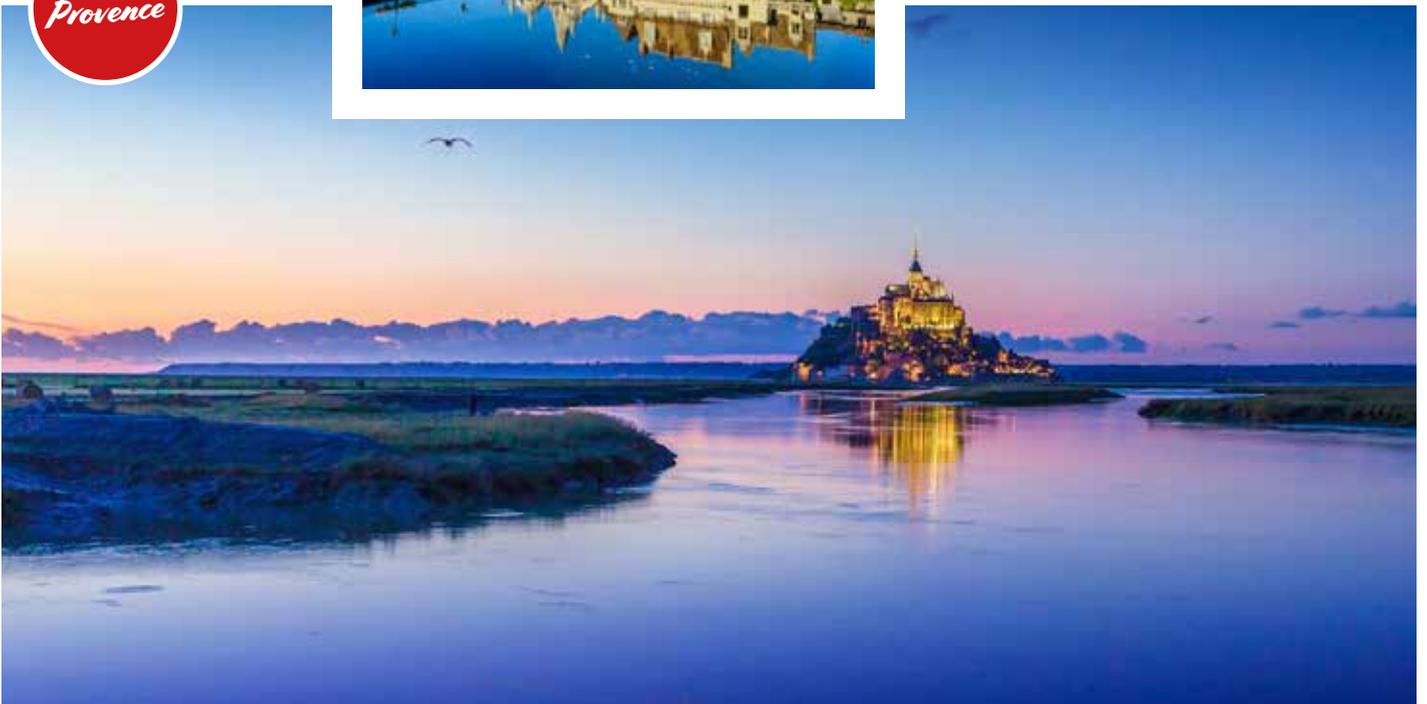
Instead of **Dordogne**, for example, look at **The Tarn**, in the heart of southwest France. It offers a better climate and is full of pretty villages – or neighbouring **Aquitaine** which is equally charming.

And while **Provence** is more chic than ever since Brad and Angelina bought a vineyard there, prices are unsurprisingly high. If you still want to be in the heart of it all however, consider **Loire** or **Armagnac** instead.

The **Gironde**, near **Bordeaux** is a good low-cost alternative to **The Riviera** if you want to be by the sea. And **Poitou-Charentes** on the Atlantic coast has seen a huge rise in popularity in the last few years. **Brittany** in the north is ever-popular for its great accessibility from the UK and plethora of good value property along stunning coastlines dotted with fish restaurants

If it's skiing and golf you're after, the **Alps** offer all-round leisure options and great investment potential. Consider **Franche-Comte** on the Swiss border or the area around **Lyon** which has a strong British community.

Naturally the larger French cities and towns offer more in the way of culture and shopping but accommodation is more limited and expensive. The **Ile-de-France region** – in north-central France and encompassing **Paris** – remains the most popular area for Britons. If you want to get away from fellow Britons however, look at North East of France which remains unpopular – mainly due to its very British weather!



# WHAT TYPE OF FRENCH PROPERTY IS AVAILABLE – AND AT WHAT COST?



Part of the joy of buying in France is the opportunity to purchase totally different property styles than you'd find in the UK – and often much bigger than you could afford at home.

Much of France is still rural with traditional accommodation such as **cottages, farmhouses and barns**. Often constructed from local material, these may be in need of renovation and cheaper than if already restored. You could pick up a **rural stone building** from as little as €25,000 but this price can rise to over €1m in popular locations. Taking the region of Poitou-Charentes on the Atlantic coast as an example, you can expect to pay between €50,000 to €70,000 for a **two-bedroom cottage** in reasonable condition.



The distinctive style of a **chateau, village or townhouse** may also appeal if you prefer something 'typically French' but more luxurious. These range from crumbling to magnificent and can provide versatile accommodation due to the number of bedrooms. An eight-bedroom townhouse in Midi-Pyrenees of good condition will set you back approximately €400,000.

For more modern conveniences look for a **villa or apartment** which are often found on the coast, tourist developments or residential areas. **Villas** generally come with swimming pools and terraces and a four-bedroom property in a popular area will range from €300,000 to €2m depending on the view, size and facilities.

A two-bedroom **apartment** in Paris could set you back around €1m but in a tourist complex can be as little as €150,000.

Leisure resorts offer alternative style living too. **Luxury chalets**, both new build and traditional, often have flexible accommodation over several floors but usually come with a high price ticket. Prices vary widely depending on the resort and you could pay anything from €500,000 to €10m plus! **Wooden lodges** set within a golf country club are more reasonably priced at around €200,000 and a one-bed ski **studio** can be found for as little as €90,000.

# HOW CAN I FINANCE A HOME IN FRANCE?



If you have cash to buy your French home, move right on to our section on currency exchange.

If not, you will need to consider your borrowing options. It's important to note that very few banks will offer a UK based mortgage product for a home that lies on foreign soil. All of the main UK high street banks have an international service but you'll need to check which countries they operate in. While the mortgage may be set up in the UK you would be dealing with the foreign branch of the bank once it is arranged. An overseas mortgage broker will help you search for the best deals from French banks and mortgage rates in some areas of the eurozone are much lower than the UK – especially in established property markets like France.

If you are confident and speak the language, you may prefer to contact a French bank direct. Long-term fixed rate mortgage deals are commonly offered in France and rates are attractive compared to the UK. Be aware that, while mortgages are becoming more widely available, a healthy deposit (between 15% and 20%) will still be required along with affordability checks and a sound credit history.

It is possible to take a French mortgage in sterling, rather than euros. When deciding, bear in mind it is good practice to borrow in the same currency you will repay the loan in. This avoids currency fluctuations moving against you. For example, if you are paying your mortgage with a UK salary borrow in sterling. If you are funding your purchase through renting your French home out, you may be better off borrowing in euros.

## Get the most for your money

- When moving large amounts of cash a small difference in rate can equal a huge loss or saving – a 1% change when exchanging £500,000 can mean £5,000 either way!
- FX (Foreign Exchange): Banks generally offer poorer rates than specialist FX providers
- Fix your rate with an FX company so you know exactly what your money is worth
- Find out what your money is worth today with our currency partner **Clear Currency**

# WHAT OTHER COSTS ARE INVOLVED?



Home buying charges vary in France, according to the age, type and price of the property. But, as a rule of thumb, you should allow between 2% and 3% of the purchase price for a new-build and between 7% and 10% for an older home. These charges are known as notary fees and include the following:

- Notaries (public officials)
- Transfer tax (stamp duty)
- TVA (or VAT) – new-build homes only
- Legal fees – if using an independent lawyer
- Bank charges (for setting the mortgage)
- Property/land registration fees
- Structural survey (optional)

Importantly, when buying in France estate agents or **agences immobilières** charge commission to the buyer, not the seller. The commission is also much higher at between 5% and 10%. Often, estate agents commission is included in the house price but not always. Do check as you could end up paying a lot more than you bargained for!

## Free legal advice

The **AIPP Legal Working Group** is an AIPP initiative designed to protect British Buyers of foreign property. It provides a free legal roadmap of what to expect and points out common pitfalls to avoid.

What you'll get:

- A free Legal Guide Download
- Free access to legal members of AIPP
- Free one-to-one advice and information
- [Click here](#) to visit



# WHO DO I NEED TO HELP ME WITH MY PURCHASE?

Start with your **agent**. You may have already found one at a property exhibition or online but it's essential to do your research. Are they members of a trade association, such as the AIPP, with recourse to a property ombudsman and financial compensation? All French estate agents (**agences immobilières**) are regulated by French law and required to hold indemnity insurance.

Next is your **notary** or **notaire**, an independent official acting on behalf of the State. He or she is mandated to ensure legal affairs are conducted properly and the correct taxes are paid. But **notaires** should not be confused with **lawyers** – they do not act for either the seller or the buyer – and are usually local to the area you are purchasing in. You are free to choose your **notaire** but you may find a recommendation by your agent or vendor will suffice.

In the UK, due to our conveyancing process, using a **solicitor** is the norm. But this is not the case in France, so the one appointment that's highly recommended is a **good independent lawyer** who will work only for you and protect your interests.

They will also ensure that all due diligence is completed, notify you of anything suspicious and potentially save you a lot of money. For a list of **reputable lawyers**, contact the British consulate or check the AIPP website.

You may need to buy your **foreign currency** to complete on the property and it is important to select a company that can provide an alternative to your bank. An FCA regulated **currency specialist** can guide you through the process delivering safe, fast and expert transfer of funds saving you time and money.

Finally, the move itself may require a **removal firm** if you are taking your possessions with you. As with the UK, it is wise to choose an insured company that is a member of a trade association. Specialist overseas removal experts will advise on storage, sea transit and regulations you'll need to be aware of when transferring your goods to France.



## Selling up your French property? Things to consider!

1. Choose your agent depending on your market – local or international?
2. The 10-day cooling off period is NOT available to sellers
3. What attracted you to the property? Emphasise that when advertising
4. Get necessary reports done before you find a buyer and do any remedial work needed
5. Be realistic about the time it may take to sell your property – the more isolated or unique, the longer it could be

# WHAT CAN I EXPECT FROM THE LEGAL PROCESS?



The French legal process takes an average of three months, although it can be much longer. You can keep things moving by staying in touch with your notaire and lawyer and ensuring you have all the requested paperwork available and sent as quickly as possible. Here is a six-step plan of what to expect:

**Step One:** Once you have had an offer accepted you may be asked to sign an **offre d'achat** by your agent. This is an agreement in kind and shows your commitment. The vendor's agent then takes the property off the market.

**Step Two:** The first official sales document you will be asked to sign is the **compromis de vente** which is a sale and purchase agreement. It contains all relevant details of the property and parties involved, provisional fees associated with purchase and any conditional terms such as mortgage approval. *Do not sign until your lawyer has reviewed it!*

A **plan cadastral** should also be provided at this point. This is an official document showing the boundaries of the property you are buying. A **deposit**, normally 10%, is then paid by you to the notaire or estate agent and held in 'escrow'. Sometimes this happens at the end of Step Three depending on your agent's policy. When paying the deposit ensure

you are speaking to your currency specialist about the exchange rate - the exchange rate is constantly moving thus although the contract may be fixed in Euros the price you pay in Sterling isn't - this could cause problems further down the track.

**Step Three:** In French law, you will have a 'cooling off' period known as **délai de rétractation** which stays in place for 10 days after you sign the contract. This is your last opportunity to withdraw from the purchase without losing any money.

**Step Four:** After 10 days have passed the **surveys (dossier de diagnostic technique)** can commence.

**Step Five:** Purchase funds will now need to be put in place. If you are paying via a mortgage the lender will arrange for the funds to be sent to the notaire. If paying by cash then your currency exchange company or bank will organise the transfer.

**Step Six:** Finally you will be invited to the **notaire office** to sign the deed of sale or acte authentique. If you are unable to travel to France you must appoint **power of attorney** to your chosen representative to sign on your behalf. The certificate of purchase or **attestation** will then be handed over along with a receipt for the money paid.



# WHAT POTENTIAL PITFALLS SHOULD I BE WARY OF?

If you use an independent lawyer, with any luck, your home-buying process in France will run smoothly. However, it's worth reading these common pitfalls first:

## 1. Failing to calculate the exchange rate correctly when working out the final purchase price

Currency prices fluctuate all the time. While this might be manageable when buying your holiday money, when the final price of your home varies significantly from the time you made your offer, it can prove a big problem. We recommend fixing your rate via a specialist foreign exchange company.

## 2. Not keeping in regular touch with your 'team'

Much like the UK, it is down to you to project-manage your property purchase. The key players will have lots of other clients they are dealing with and it's in your best interests to contact them every few days for updates. This ensures you are always moving forward – not stalling.

## 3. Being inflexible on the completion date

Although the date will be listed on the compromis de vente, this is a guide only and, in fact, very rarely adhered to. Don't plan your move until further down the line.

## 4. Assuming tax liabilities can be sorted after your purchase

They probably can – but it may well cost you extra. Thoroughly investigate the complexities with your lawyer before making decisions such as whose name the new property should be in and what your correct tax actions should be.



# IS THERE ANYTHING ELSE I SHOULD CONSIDER?

Once you've completed on your property in France, the costs don't stop. Make sure you factor in the cost of living and running costs for your home going forward, to avoid any nasty surprises. Consider the following:

- 
**Healthcare** – depending upon your residential status, you may wish to purchase additional private health insurance. France's system may not adequately cover what you need.
- 
**Planning for the unexpected** – Circumstances change sometimes in ways which we simply can't foresee. Are you able to get back to the UK if you are needed urgently? Or could you cope if you were left on your own? It's imperative to see beyond the initial property purchase and have a plan for sudden and future eventualities.
- 
**Home Insurance** – Consider how you will use your home in France (for example, sole occupancy or rental) and get adequate home cover. Properties left unoccupied for long periods need special insurance.
- 
**Cost of living** – Do your research around how prices differ from the UK. Expatriate websites and forums are a good place to start for examples of monthly living expenses and likely maintenance and tax charges.
- 
**Fix your finances** - Being able to forecast your living expenses, especially in the 'honeymoon period' immediately following your purchase can be difficult! Once your costs are easier to predict, you can also look to exchange your monthly budgets with a Specialist Foreign Exchange Service via a fixed contract to avoid any irregularities owing to market movements.

**Follow these steps and you should soon be enjoying your new life in France.**

*Bonne chance!*



# BECOME A FOUNDER MEMBER OF THE ALLIANCE OF INTERNATIONAL PROPERTY OWNERS

As part of your Alliance membership you will receive a monthly email newsletter, tailored to your interests  
Alliance members benefit from support in the 4 key areas:



## Knowledge & Support

Free guides, advice & legal support



## Savings & Offers

Lower your cost of ownership



## Representation

Put your views to governments



## Community

Your hub for sharing information

Check out all the membership benefits of joining AIPO at [www.aipo.org.uk](http://www.aipo.org.uk), including the terms & conditions and our data privacy & protection.

Simply print this page, fill it in and return it to:

### AIPO Membership

The Chandlery, 50 Westminster Bridge Road, London, SE1 7QY

Title\*

First name\*

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What is your main country of interest?

Are you an:

Owner

Buyer

Name:

Signature:

Date:

We take your privacy seriously and are fully compliant with the new General Data Protection Regulations (GDPR). We will only use your personal information in accordance with our membership terms and conditions.

I consent to the AIPO storing and using the above data in accordance with their terms and conditions and privacy and protection policy

Alternatively, you can register online at  
[www.aipo.org.uk/join-us](http://www.aipo.org.uk/join-us)





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