

## IMMOBILIER CAUSSES ET VEZERE GUIDE TO PROPERTY PURCHASE

*These notes are offered as a general guide for purchasers wishing to acquire a property in the Dordogne.*

Vendors are, of course, perfectly entitled to offer their property for sale privately by means of advertisements in the press, signs on the house, and so on, and in some regions of France *notaires* are very active in property negotiation. However, to give yourself the best overall view of choice and prices within the area where you wish to buy, it is wise to contact a local estate agent. In France, all estate agents have to have a *carte professionnelle* issued by the authorities in their *département*, and all their negotiators are also registered. The legislation states that commission rates must be clearly displayed in an agent's office, and that an agent who holds funds for his clients must have a specially guaranteed bank account for this purpose. (It should be clear whether prices quoted include agency commission or not. FAI – *frais d'agence inclus* – or a similar phrase indicates that a price includes the commission.)

Unfortunately there are a few people around quite illegally claiming to be estate agents. The best way to avoid them is to check that the agent you deal with has a *carte professionnelle* (the number should be on display in the office). Many are members of a French professional federation of estate agents, such as the FNAIM, whose symbol of a yellow diamond is easily recognised.

Never agree to pay cash as part of the purchase price of a house, or to cover an agent's commission. No reputable agent would ever suggest this.

Try to give us some notice of your visit. If you turn up without an appointment you may find that staff are already committed to dealing with other clients and cannot free themselves to help you, or are even all out already. (We leave a note on the door to indicate our expected time of return if this is the case!) Immobilier Causses et Vézère's office is open from 10.00 am to 6.00 pm Monday to Saturday.

### **Borrowing to purchase.**

It is possible for foreigners to borrow money from French banks to cover the purchase of holiday homes or principal residences in France, though you should not expect to borrow 100% of the purchase price. We can give you full details and help you find the best deal.

It is best to do your homework on financial matters before setting out to visit houses. You need to be sure you can afford what you are looking at and can say 'yes' with confidence when you find the right property.

### **Solicitors and Surveyors.**

If you feel that you would like a surveyor's report on a house, or a British specialist solicitor to look over a contract on your behalf, please make contact with someone offering the relevant services before you come house-hunting. We can suggest experienced professionals.

### **Inheritance laws.**

It is important when buying to consider the implications of the French inheritance laws.

These apply to real property situated in France, and the subject is complicated. Should a married couple buy in joint names? Or in the name of only one partner? Would a property-owning company be appropriate for your particular situation? Immobilier Causses et Vézère can explain, and put you in touch with a *notaire* for further advice if necessary.

### **Obligatory reports.**

Since June 1996 it has been obligatory for all house sales in the Dordogne to be accompanied by a *certificat parasite* issued by an accredited expert. This comments on the level of infestation by woodworm etc and more importantly the presence or absence of live termites. It is obligatory for houses built before 1949 to have a search for lead in the paintwork, and all but the most recently built houses have to be checked for the presence of asbestos. Thermal insulation and heating efficiency are also checked out and gas and electricity installations inspected if they are over fifteen years old.

Our policy is to make sure that all the necessary certificates are obtained before the signature of an initial contract and can be annexed to it.

### **At the office.**

You are free to look through the catalogue of property details, and we will give you as much information as we can about the properties that interest you - colour documents, floor plans, land plan etc. When you have made your selection of the properties you wish to visit, we arrange appointments where necessary, and plan our route. You are not expected to complete an orienteering course around the back lanes of the Périgord, as we normally take clients in one of our cars. If you have young children in special car seats, or dogs, or simply wish not to return to our office at the end of the visits, you may prefer to follow in your own vehicle.

### **The property chosen.**

Buyers are free to make offers, and vendors equally free to accept, refuse, or make counterproposals. All negotiations are normally conducted through the estate agent. If you feel that you would like to have a survey done on the property, it is best to do so before making an offer. We can put you in contact with a selection of people who can carry out the survey for you.

Once a bargain has been struck verbally, the major differences between French and English conveyancing laws and procedures become apparent.

### **The first contract.**

A good estate agent will draw up the initial contract between purchaser and vendor himself; one does not have to go to a *notaire*. Signing takes place in our office if you are still in the area at the time negotiations are completed. If you are no longer on the spot, the contract can be e-mailed or sent to you by post. However, bear in mind that

many properties are also on sale with other agents, and that the vendor is not committed until he has signed the contract, so may have time to receive and accept a higher offer if you allow too long a delay.

The first contract, technically known as a *contrat sous condition(s)suspensive(s)*, a *sous seing privé* or a *compromis* is BINDING ON BOTH PURCHASER AND VENDOR once signed, subject to fulfilment of the said conditions precedent. (see\*) These are conditions such as the renunciation of any body having pre-emptive rights on the property, or the obtaining of a satisfactory *note de renseignements* or *certificat d'urbanisme* from the local planning authorities to show that there are no road-widening schemes etc in the pipeline which will affect the property. You may wish to have a clause inserted making the obtaining of outline planning permission to alter the property a condition of the purchase, or maybe to make it conditional on obtaining a French mortgage. The initial contract you are asked to sign for the purchase of a property in France is, naturally, in French, but we can provide a translation.

\* Purchasers have an automatic right to a seven-day cooling off period. The vendor has no cooling off period.

#### **The deposit.**

A deposit of 10% of the purchase price is due at the time of signature of the initial contract and is only returnable if and when one of the *conditions suspensives* is not realised. The deposit is paid into the agent's guaranteed client account (where it does not attract interest.) The best way to pay is by bank to bank transfer. If you try to back out of the purchase after your cooling off period is over, the deposit is automatically forfeit and the vendor has the right to sue for specific performance. On the other hand, once he has signed, the vendor cannot back out of the sale by asking us to return your deposit.

#### **The final stages.**

One should normally allow between three to four months between the signature of the initial contract and the final conveyance.

Once the last of the conditions is realised, it is time to transfer the balance of the purchase price plus the conveyancing costs, by bank to bank transfer, to the *notaire's* client account. The conveyancing costs are always paid entirely by the purchaser. On average properties they will tend to be around 6.5% -7%.

#### **The conveyance.**

This is known as the *acte authentique* and must be handled by a 'notaire': there is no other way to get valid title to a property. The 'notaire' collects the property transfer taxes on behalf of the State, and ensures the registration of the 'acte' with the Land Registry. He is licensed by the government, and while handling much of the work done by an English solicitor, is by no means a direct equivalent. It is usual for only one 'notaire' to be involved in a conveyance since he is not acting directly for either party. If you have no particular preference we generally recommend dealing with the last 'notaire' to handle the transfer of ownership of the property.

A representative of Immobilier Causses et Vézère is always present at the 'notaire's' office for the final signing, and can act as interpreter. If either purchaser or

vendor is unable to be present to sign the 'acte' in person, arrangements can be made for signature by proxy. We undertake to check the property before allowing the completion by proxy, just to ensure that the house is still standing and in the state in which you expect it to be.

Immobilier Causses et Vézère can also ensure that the water and electricity supplies are left connected but put in your name, and can arrange insurance through a local agent - generally far cheaper than foreign companies offering special policies for 'holiday homes.'

#### **And afterwards?**

We can put you in contact with firms offering gardening, swimming pool installation or maintenance, house cleaning etc and can also suggest local artisans for building work, plumbing and so on, or architects if you have a major building project.

#### **Currency exchange.**

These days everyone is aware of how crucial it is to get the best rate of exchange possible when buying foreign currency, whether it is for a major purchase such as a house or for regular transfers like pensions. Your high street bank will not be able to give you such a good rate as one of the specialist foreign exchange companies, and may also charge quite a high fee for each transfer. If you would like to find out how you can get a really good deal when trading into or out of euros send a message to [icv@currenciesdirect.com](mailto:icv@currenciesdirect.com) to get in contact with someone who can give you tailor-made advice.

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