

## IMMOBILIER CAUSSES ET VEZERE GUIDE TO PROPERTY SALES

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, by offering your house for sale through a reputable local agent you greatly increase the number of potential clients who will see details of it.

All French agents are obliged to work on a 'no sale, no fee' basis, and must be in possession of a *carte professionnelle* issued by the local *préfecture*. Their commission rates should be clearly displayed in their office, and are normally inclusive of VAT. In line with local practice our agency commission is paid by the **purchaser**, at the time of completion.

Immobilier Causse et Vézère advertises locally, nationally and internationally. We also work with a few selected agents abroad and here in the Dordogne with whom we exchange property details. Information on all the houses we take on for sale is put onto our own internet site, the FNAIM site, and various commercial sites, making it obtainable worldwide.

### Taking the house on for sale.

We visit each property that we take on for sale, and can give you guidance on a sensible asking price. We normally take our own photographs, but are always grateful for material provided by the vendor who may well have had the opportunity to photograph his house under rather better weather conditions than those prevailing at the time of our visit. Similarly, we measure up the house and make floor plans unless the owner is able to provide these.

When you bought, or inherited, your French property, you may have received from your *notaire* papers which are similar to deeds, giving details of all the cadastral reference numbers, exact surface area, previous owners etc. This is called the *titre de propriété*. If you have not got your copy you should ask your *notaire* for it. We would also be grateful to see a plan of the land. Have all your documentation ready to show us when we come to visit, and let us have a photocopy of the relevant papers so that it is quite clear just exactly what is for sale. If you have had the house treated for termites or other woodworm infestations, let us have a copy of the guarantee on the work.

### Mandat de vente.

There should always be a written contract drawn up between an estate agent and the vendor, which states the price at which the property is to be offered for sale, the commission charged in the event of a sale, and gives the agent the authorisation to do whatever he feels is necessary - ie advertising etc - at his own expense in order to bring about a sale. This contract is known as a *mandat de vente*, and there are two types.

The *mandat de vente exclusif* gives sole selling rights, and under French law that normally means that even if

you decide to sell the house to a friend or member of the family the agency commission would be due, though this can be modified by prior agreement. The period of sole agency lasts for three months, during which time the *mandat* is irrevocable. After the initial three months you can choose to change the terms of the contract, but if you do nothing the arrangement continues as before. The advantage of giving a *mandat exclusif* is that the agent can devote more attention to promoting your property as he is fairly certain that he will earn a commission, and you only have to keep in contact with one person, provide one set of keys etc.

An agent who has a *mandat de vente exclusif* for a property will generally not just keep the details to himself, but will share information on the property with other people who can help him make a sale. Immobilier Causse et Vézère is a part of the SIA (Service Inter Agences) Dordogne which pools information on all our *mandats exclusifs*.

The *mandat de vente simple*, or *mandat de vente sans exclusivité* is the contract you sign if you wish to give the sale of your property to more than one agency, or reserve the right to make your own efforts to sell the house. If giving the property to two or more agents, it is essential to make sure 1) that they all offer it at exactly the same net price 2) they are all kept informed of any changes either in the price or other conditions 3) that they all have access to keys, and 4) that they are aware if visits are not possible at certain times. It is important to tell all the agents as soon as a sale is made and an initial contract has been signed, or if you decide to discontinue the sale. An agent who has fulfilled his mission in finding you a buyer at the price stated on the *mandat* is quite entitled to demand compensation from the vendor equal to the expected commission if the vendor simply changes his mind about selling, or has already committed himself to another purchaser. If you give *mandats* and keys to six different agents, then one sells the house and the other five, uninformed of the sale, all produce written offers to purchase from different clients, you could be liable to pay out commission to all five of them!

The *mandat* you are asked to sign will be in French, but Immobilier Causse et Vézère provides English translations of these documents for your guidance.

### Capital gains tax.

If you are selling a secondary residence, you will have to make a declaration for assessment of capital gains. This is part of the work handled by the *notaire*. Providing you have owned the property for a while, there is a system of allowances which is quite generous. However, it will be necessary to produce all the bills for improvement work done in the period of your ownership so make sure you keep them, along with bank statements proving that the bills were paid.

If you are not a French tax payer and the value of your property exceeds 150 000 €, whether you have made a capital gain or not, you will have to appoint a fiscal

representative (the notaire will deal with this) and his services will cost you about 1 % of the sale price of the property.

#### Visits with potential purchasers.

Whenever possible, we like to have our own key to visit unoccupied houses, rather than having to track down other agents, or a neighbour who may be out when we ring or resent being disturbed. While we try to give ample warning of our visits, we cannot necessarily give 24 hours' notice! We always accompany clients on visits and if the owner is not in residence when we call, we notify him in writing that we have been.

Some houses sell very quickly, others remain on the market a long time before finally being sold, and it is not always possible to predict which category your house will fall in to, but obviously those properties which are priced realistically are likely to sell fastest. Make arrangements to have your garden tended in your absence, so that the property always looks its best when we bring a client.

House sales in the area we cover are fairly seasonal, with the majority of transactions taking place between Easter and late October. It does not make sense, therefore, to rent the property to holiday makers and prevent the agent from having access to the house in the peak selling season. If you have to rent for financial reasons, make it quite clear to potential tenants that they may be disturbed by a visiting agent occasionally, and try and arrange for the agent to be able to warn the tenants of his visits, either by having a phone at the house, or by asking a neighbour we can ring to take messages.

#### Negotiation.

Buyers are free to make offers, and we always inform vendors of any serious offer, even if it falls well short of the asking price. All negotiations on the price are conducted through the estate agency.

#### The first contract.

We draw up the initial contract between purchaser and vendor; it is not generally necessary to go to the *notaire*. Both parties can sign in one of our offices if they are in the area, or the contract can be forwarded by post. The contract is in French, of course, but we can provide you with an English explanation.

Buyers now have an obligatory seven day cooling off period after the contract has been signed by both parties. Immobilier Causses et Vézère takes care of notifying the buyer of his rights as required by law. If the buyer does not use this opportunity to withdraw from his commitment, the contract is then binding on him and the sale will go ahead. (The vendor is bound by the contract from the moment of signature, and cannot withdraw from the agreement in order to accept a higher bid. Gazumping is not possible.) Nonetheless, the contract contains *conditions suspensives*, such as for example, that nothing comes up in the local authority searches which will affect the value or change the nature of the property. If the purchaser needs a loan to finance his acquisition, this too may be a condition of the sale if the loan is being obtained in France. The contract will specify general terms and conditions of the loan, and

give the purchaser a deadline by which he must make his application to a bank or forfeit his right to withdraw from the purchase if his loan application is refused. There is normally a period of about three months between signature of the initial contract and completion with the *notaire*.

#### Promessimo Insurance.

As a member of the FNAIM, Immobilier Causses et Vézère subscribes to the Promessimo insurance policy to cover the financial implications in the event of the accidental death of the purchaser before completion, and will provide free insurance cover for purchasers in good health under the age of seventy. This means that should your purchaser(s) unfortunately meet with a fatal accident before completion, the insurance will be brought into action on behalf of the heirs, and that you will not lose the sale.

#### Obligatory certificates.

It is obligatory for all houses sold in the Dordogne to have an 'attestation parasitaire' less than six months old at the time of completion with the *notaire*, stating whether or not there are signs of the presence of termites in the building or its immediate surroundings. It is a good idea to arrange to have a preliminary check done on the house and garden at the time of first putting the property on the market so that any problems are known about and can be dealt with. The certificates are usually updated free of charge.

It is also obligatory for all houses built before 1949 to be checked for the presence of lead in the paintwork, and those which received planning consent before 1997 have to be checked for the presence of asbestos as well. These certificates should also be obtained at the time of putting the property up for sale as they have a longer validity than the termite certificate. Most recently the property must be checked for thermal insulation and heating properties, to see if it is well insulated, easy to heat. A certificate is issued called the "Diagnostic de Performances Energétiques" All four certificates will be required at the time of signing the initial sales contract. We can supply you with a list of local firms suitable qualified and insured to carry out these inspections.

#### The conveyance.

This is known as the *acte authentique* and must be handled by a *notaire*. It is quite usual for only one *notaire* to be involved in a conveyance since he is not acting directly for either party, and in most cases we would recommend going back to the same one as you used for the purchase. Technically the choice rests with the purchaser, but if you are unhappy with his decision you can always ask for your own *notaire* to be involved in the transaction as well. A representative of Immobilier Causses et Vézère is always present at the signing, and can act as interpreter. If you are unable to come to the *notaire's* office to sign the *acte* in person we can make arrangements for signature by proxy. The *notaire* will arrange for payment of our fee from the money he holds for the house purchase, and settles any outstanding mortgage or other debts against the property, including capital gains tax if any is due. The vendor does not usually receive the money for the purchase until a few days after the completion, when the

*notaire* has been able to register the conveyance contract.

Do not be surprised at how little paperwork you receive once the sale is completed. Normally all the vendor will receive from the *notaire*, provided he asks for it, is a signed statement confirming the sale, which may be required to cancel insurance or to show to tax authorities.

Immobilier Causses et Vézère can undertake to cancel your electricity and water contracts, and arrange for the reading of meters etc if you cannot deal with this yourself. Please let us have copies of recent bills so that we have all the necessary references.

Taxes foncières, taxe d'habitation.

You receive your local tax bills for your French property every autumn, and they cover the civil year in which they are issued eg in September 2007 you receive a bill for *taxes foncières* that covers the period 1<sup>st</sup> January 2007 to 31<sup>st</sup> December 2007. You will receive these bills and must pay them in full in the year in which you sell, even if the sale took place in the first week of January, as the rolls are only updated annually.

A vendor is entitled to ask the purchaser of his house to reimburse him pro rata for a share of the *taxe foncière*, so for a sale completed on 1<sup>st</sup> June you can ask to be reimbursed 7/12 of the year's bill. Sometimes parties agree to anticipate the reimbursement so that a sum calculated from the previous year's bill is paid at the time of completion.

INFORMATION WE REQUIRE WHEN TAKING A PROPERTY ON FOR SALE

1. Surname, forenames, maiden name (where applicable) and address of all people who own or have the usufruct of the property, or name and address of the SCI and its representative if you have a property-owning company.
2. Cadastral references and exact surface area of the property. (We need to know the name of the *commune*, the Section number, the name of the *lieu-dit*, and the numbers of the parcels of land.) If you have the papers from your *notaire* that you received on completion of the purchase, all this information will be in this document, which we would like to see. Otherwise, you can get this information from your local *mairie*. We would also like to have a copy of the cadastral plan, and can take photocopies of documents you lend us.
3. Name of the *notaire* through whom you purchased the property. Date of purchase. Name of previous owner.
4. Amount paid in *taxe d'habitation* and *taxe foncière* annually.
5. Name, address and telephone number of a key-holder if you are not in residence and cannot leave us a duplicate set of keys, though it is a great deal easier for us if we can have our own key.

6. If you have an architect's floor plan of the house we would like to have a copy.

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