

Buying a Home in FRANCE

David Hampshire

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Edition

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Buying a Home in **FRANCE**

David Hampshire


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Office 169, 3 Edgar Buildings, George St, Bath, BA1 2FJ, UK
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THE AUTHOR

David Hampshire was born in England and after serving in the Royal Air Force, was employed for many years in the computer industry. His work has taken him around the world and he has lived and worked in many countries, including Australia, France, Germany, Malaysia, the Netherlands, Panama, Singapore, Spain and Switzerland. He is the author, co-author or editor of 20 titles, including *Living and Working in France* and *Retiring in France*. David now lives with his partner in England and Panama.

WHAT READERS & REVIEWERS

'If you need to find out how France works then this book is indispensable. Native French people probably have a less thorough understanding of how their country functions.'

Living France

'It's everything you always wanted to ask but didn't for fear of the contemptuous put down. The best English-language guide. Its pages are stuffed with practical information on everyday subjects and are designed to compliment the traditional guidebook.'

Swiss News

'Rarely has a 'survival guide' contained such useful advice – This book dispels doubts for first-time travellers, yet is also useful for seasoned globetrotters – In a word, if you're planning to move to the US or go there for a long-term stay, then buy this book both for general reading and as a ready-reference.'

American Citizens Abroad

'Let's say it at once. David Hampshire's Living and Working in France is the best handbook ever produced for visitors and foreign residents in this country; indeed, my discussion with locals showed that it has much to teach even those born and bred in l'Hexagone – It is Hampshire's meticulous detail which lifts his work way beyond the range of other books with similar titles. Often you think of a supplementary question and search for the answer in vain. With Hampshire this is rarely the case. – He writes with great clarity (and gives French equivalents of all key terms), a touch of humour and a ready eye for the odd (and often illuminating) fact. – This book is absolutely indispensable.'

The Riviera Reporter

'A must for all future expats. I invested in several books but this is the only one you need. Every issue and concern is covered, every daft question you have but are frightened to ask is answered honestly without pulling any punches. Highly recommended.'

Reader

'In answer to the desert island question about the one how-to book on France, this book would be it.'

The Recorder

'The ultimate reference book. Every subject imaginable is exhaustively explained in simple terms. An excellent introduction to fully enjoy all that this fine country has to offer and save time and money in the process.'

American Club of Zurich

HAVE SAID ABOUT SURVIVAL BOOKS

'The amount of information covered is not short of incredible. I thought I knew enough about my birth country. This book has proved me wrong. Don't go to France without it. Big mistake if you do. Absolutely priceless!'

Reader

'When you buy a model plane for your child, a video recorder, or some new computer gizmo, you get with it a leaflet or booklet pleading 'Read Me First', or bearing large friendly letters or bold type saying 'IMPORTANT - follow the instructions carefully'. This book should be similarly supplied to all those entering France with anything more durable than a 5-day return ticket. – It is worth reading even if you are just visiting briefly, or if you have lived here for years and feel totally knowledgeable and secure. But if you need to find out how France works then it is indispensable. Native French people probably have a less thorough understanding of how their country functions. – Where it is most essential, the book is most up to the minute.'

Living France

A comprehensive guide to all things French, written in a highly readable and amusing style, for anyone planning to live, work or retire in France.

The Times

Covers every conceivable question that might be asked concerning everyday life – I know of no other book that could take the place of this one.

France in Print

A concise, thorough account of the Do's and DONT's for a foreigner in Switzerland – Crammed with useful information and lightened with humorous quips which make the facts more readable.

American Citizens Abroad

'I found this a wonderful book crammed with facts and figures, with a straightforward approach to the problems and pitfalls you are likely to encounter. The whole laced with humour and a thorough understanding of what's involved. Gets my vote!'

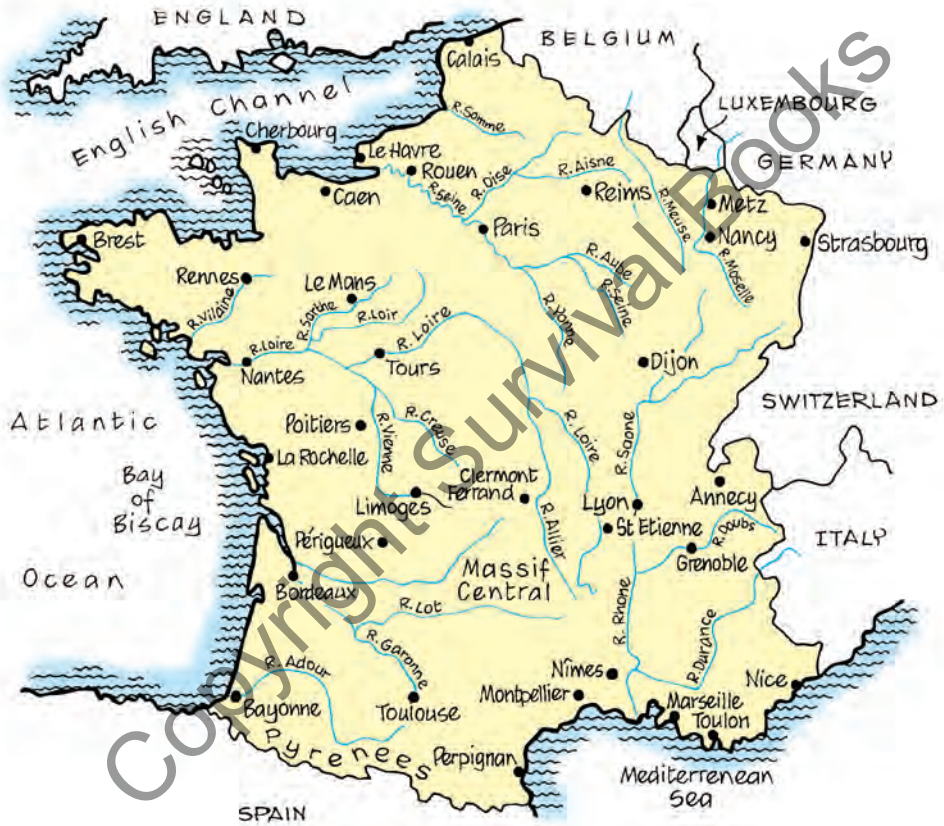
Reader

'A vital tool in the war against real estate sharks; don't even think of buying without reading this book first!'

Everything Spain

'We would like to congratulate you on this work: it is really super! We hand it out to our expatriates and they read it with great interest and pleasure.'

ICI (Switzerland) AG



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IMPORTANT NOTE

France is a large country with myriad faces and diverse ethnic groups, religions and customs. Although some rules and regulations are the same throughout the country, many vary with the region, the department and even the commune, and most are open to local interpretation or even 'formulated' on the spot. I therefore cannot recommend too strongly that you check with an official and reliable source (not always the same) before making major decisions or undertaking an irreversible course of action. **Don't believe everything you're told or read – even, dare I say it, herein!**

To help you obtain further information and verify data with official sources, useful addresses, references and websites have been included in most chapters and in Appendices A, B and C. Important points have been emphasised throughout the book in **bold** print, some of which it would be expensive or even dangerous to disregard. **Ignore them at your cost or peril.** Unless specifically stated, the reference to any company, organisation, product or publication in this book doesn't constitute an endorsement or recommendation, and you should always check the credentials of any company or organisation before using their services.

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AUTHOR'S NOTES

- Frequent references are made throughout this book to the European Union (EU), which at the time of writing comprised Austria, Belgium, Bulgaria, Cyprus, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Romania, the Slovak Republic, Slovenia, Spain, Sweden and the United Kingdom. The European Economic Area (EEA) includes the EU countries plus Iceland, Liechtenstein and Norway.
- All prices are shown in euros (€) unless otherwise stated. Prices quoted should be taken as estimates only, although they were mostly correct when going to print and fortunately don't usually change overnight. Prices are quoted inclusive of tax (which is the method generally used in France) unless otherwise stated.
- Times are shown using the 24-hour clock, which is the usual way of expressing the time in France. All times are local, so you should check the time difference when making international calls.
- His/he/him also means her/she/her (please forgive me ladies). This is done to make life easier for both the reader and (in particular) the author, and **isn't** intended to be sexist.
- British English is used throughout, but American English equivalents are given where applicable.
- The French translation of key words and phrases is shown in brackets in *italics*. Note that the French is given in the singular, except when the plural is the standard word or phrase.
- Warning and important points are shown in **bold** type.
- The following symbols are used in this book: ☎ (telephone), 📠 (fax), 🌐 (Internet) and ✉ (email).
- Lists of **Useful Addresses**, **Further Reading** and **Useful Websites** are contained in **Appendices A, B and C** respectively. Other appendices include: weights and measures; maps; a list of airports and airlines serving France; and a comprehensive glossary of property terms.



Rocamadour, Lot

INTRODUCTION

If you're planning to buy a home in France or even just thinking about it, this is **THE BOOK** for you! Whether you want a château, farmhouse, cottage or an apartment, a holiday or a permanent home, ***Buying a Home in France*** will help make your dreams come true. The aim of this book is to provide you with the information necessary to help you choose the most favorable location and most appropriate home to satisfy your personal requirements. Most importantly, it will help you avoid the pitfalls and risks associated with buying a home in France.

You may already own a home in another country; however, buying a home in France (or in any 'foreign' country) is a different matter altogether. One of the most common mistakes many people make when buying a home abroad is to assume that the laws and purchase procedures are the same as in their home country. **This is rarely, if ever, the case!** Buying property in France is generally very safe, particularly when compared with some other countries. However, if you don't follow the rules provided for your protection, a purchase can result in a serious financial loss, as some people have discovered.

For many people, buying a home in France has previously been a case of pot luck. However, with a copy of ***Buying a Home in France*** to hand you'll have a wealth of priceless information at your fingertips – information derived from a variety of sources, both official and unofficial, not least the hard won personal experiences of the author, his friends, colleagues and acquaintances. This book doesn't contain all the answers – but what it will do is reduce the risk of making an expensive mistake that you may bitterly regret later, and help you to make informed decisions and calculated judgements, instead of costly mistakes and uneducated guesses (forewarned is forearmed!). Most important of all, it will help you save money and will repay your investment many times over.

Buying a home in France is a wonderful way to make new friends, broaden your horizons and revitalise your life – and it provides a welcome bolt-hole to recuperate from the stresses and strains of modern life. I trust that this book will help you avoid the pitfalls and smooth your way to many happy years in your new home in France, secure in the knowledge that you've made the right decision.

Bon courage!

David Hampshire

April 2008



Château Azay-le-Rideau, Indre-et-Loire

1.

MAJOR CONSIDERATIONS

Buying a home abroad is not only a major financial commitment, but also a decision that can have a huge influence on other aspects of your life, including your health, security and safety, your family relationships and friendships, your lifestyle, your opinions and your outlook. You also need to take into consideration any restrictions that might affect your choice of location and type of property, such as whether you'll need (or be able) to learn another language, whether you'll be able (or permitted) to find work, whether you can adapt to and enjoy the climate, whether you'll be able to take your pets with you, and not least, whether you'll be able to afford the kind of home (and lifestyle) that you want. In order to ensure that you're making the right move, it's as well to face these and other major considerations before making any irrevocable decisions.

WHY FRANCE?

There are many excellent reasons for buying a home in France. It's one of the most beautiful countries in Europe, if not **the** most beautiful, and has the most varied landscape, offering something for everyone: magnificent beaches for sun-worshippers; spectacular countryside for nature lovers; mountains and seas for sports fans. It also offers vibrant Parisian night-life for the jet set, some of the world's greatest wines for connoisseurs, *haute cuisine* for gourmets, an abundance of culture for art lovers, and tranquillity for the stressed.

In France, the pursuit of *la bonne vie* is a serious business and even *bons viveurs* (*bons vivants* in French) are spoilt for choice (most French people rate the pursuit of pleasure and style way ahead of success and wealth). Nowhere else in the world is there such an exhilarating mixture of natural beauty, culture, tradition,

sophistication and style. It's often said that when buying property in France you aren't buying a home but a lifestyle! As a location for a holiday, retirement or permanent home, France has few rivals and in addition to the incomparable choice of properties and excellent value for money, it offers a generally fine climate for most of the year, particularly in the south. It's estimated that over 300,000 Britons currently own homes in France and the number is increasing annually.

Nevertheless, it's important to ask yourself **exactly** why you want to buy a home there. For example, are you primarily looking for a sound investment or do you plan to work or start a business in France? Are you seeking a holiday or retirement home? If you're seeking a second home, will it be mainly used for long weekends or for lengthier stays? Do you plan to let it to offset the mortgage and running costs? If so, how important is the property income?

You need to answer these and many other questions before deciding on the best (and most appropriate) place to buy a home in France.

There are a variety of reasons for buying a home in France; for example, many people buy a holiday home with a view to living there permanently or semi-permanently when they retire. If this is the case, there are many more factors to take into account than if you're 'simply' buying a holiday home that you'll occupy for just a few weeks a year (when it's usually wiser not to buy at all!). If, on the other hand, you plan to work or start a business in France, you'll be faced with a completely different set of criteria. An increasing number of people live in France and work in another European country (e.g. neighbouring England, Belgium, Luxembourg, Germany, Switzerland and Italy), commuting back and forth by road, rail or air.

Can you really afford to buy a home in France? What about the future? Is your income secure and protected against inflation and currency fluctuations? In the '80s, many foreigners purchased holiday homes in France by taking out second mortgages on their family homes and stretching their financial resources to the limits. Not surprisingly, when the recession struck in the early 1990s many people had their homes repossessed or were forced to sell at a huge loss when they were no longer able to meet the mortgage payments.

Caution

You shouldn't expect to make a **quick profit when buying property in France** and should look upon it as **an investment in your family's future happiness, rather than merely in financial terms.**

Although property values in France are currently increasing faster than inflation in most areas, there's no guarantee that this trend will continue. In any case, unless you 'downshift', the sale of a principal residence won't realise a profit in real terms, and capital gains tax can wipe out much of the profit made on the sale of a second home. Bear in mind also that you must recover the costs associated with buying a home when you sell; these are particularly high in France.

Before making any irrevocable decisions about buying a home in France, you should do extensive research (see page 17), study the possible pitfalls (see page 18), and be prepared to rent for a period before buying (see page 99).

Advantages & Disadvantages

There are both advantages and disadvantages to buying a home in France, although for most people the benefits far outweigh any drawbacks. France has many attractions: much of the country enjoys a sunny and warm climate all year round, with over 300 days of sunshine annually and high temperatures in southern areas; access to your French home from home has never been easier or cheaper, especially from the UK, thanks mainly to the proliferation of low cost flights offered by airlines such as bmibaby, EasyJet, Flybe and Ryanair (see page 331), but also to the Channel Tunnel, and new, low-cost high-speed cross-Channel operators; France's motorway network is second to none (although expensive to use) and is constantly being improved, and most regions can now be reached by motorway (see page 95); Europe's fastest trains (TGV) not only serve an increasing number of major towns and cities, but also link with a Europe-wide network via the new hub at Lille, and the government has recently 'ordered' the (nationalised) railway operators to compete with the low-



cost airlines, so lower train fares can be expected (see page 93).

France is famous for its huge variety of cultural and leisure activities, and the French, although not renowned for their friendliness and hospitality, are generally welcoming to foreigners who make the effort to integrate. The standard of living is generally high and the cost of living reasonable by Western European standards, including very good value homes (in less fashionable areas). Although prices have risen in many popular areas recently, property remains far cheaper than its equivalent in the UK, for example, with the bonus that it's often accompanied by generous amounts of land (see **Cost of Property** on page 28).

Among the many other advantages of buying a home in France are good rental possibilities, good local tradesmen and services (particularly in resort areas), fine food and wine (some would argue, the best in the world) at reasonable prices, a relaxed

pace of life in rural areas, one of the world's best healthcare systems, plenty of open space, and some of the most beautiful scenery in Europe all around you.

A further plus – particularly if you need to sell your French home – is that the property market is stable and well balanced between domestic and foreign demand for all types of property throughout the country, unlike Spain and many 'emerging' countries, where there are areas in which the only potential buyers are foreigners, most of whom are interested only in new property of a certain type.

In France, too, buyers – of existing and off-plan property – are well protected from 'cowboy' developers, sellers and agents, and planning restrictions mean that residential development rarely gets out of hand, which can happen in other countries.

Naturally, there are also a few disadvantages, including communication problems if you don't speak French, the high purchase costs associated with buying a home in France, unexpected renovation and restoration costs (if you don't do your homework), a high rate of burglary in some areas, overcrowding in popular tourist areas during the peak summer season, traffic congestion and pollution in many towns and cities, and the expense of getting to and from France if you own a holiday home there and don't live in a nearby country with good air connections.

SURVIVAL TIP

The secret of successfully buying a home in France is research, research and more research.

RESEARCH

A successful purchase is much more likely if you thoroughly investigate the various

regions, the types of property available, prices and relative values, and the procedure for buying property in France.

It's all too easy to fall in love with the beauty and ambience of France and to sign a contract without giving it sufficient thought. If you're uncertain, don't allow yourself to be rushed into making a decision, by fears of an imminent price rise or because someone else is supposedly interested in a property. Although many people dream of buying a holiday or retirement home in France, it's vital to do your homework thoroughly and avoid the 'dream sellers' (often fellow countrymen) who will happily prey on your ignorance and tell you anything in order to sell you a property.

Some people make expensive (and even catastrophic) mistakes when buying homes in France, usually because they do insufficient research and are in too much of a hurry, often setting themselves ridiculous deadlines such as buying a home during a long weekend or a week's holiday, although they wouldn't dream of acting so rashly when buying a property in their home country! It isn't uncommon for buyers to regret their decision after a few months or years and wish they had purchased a different kind of property in a different region (or even in a different country!).

If possible, you should take advice from people who already own a house in France, from whom you can usually obtain invaluable information (often based on their own mistakes). Much of this advice is included in this book's companion volume, *Foreigners in France: Triumphs & Disasters*, but you'll **really** believe it if you hear it 'from the horse's mouth'! You should also read books especially written for those planning to live or work in France (such as *Living and Working in France*, also by David Hampshire). It helps to study specialist property magazines and newspapers (see **Appendix B** for

a list), and to visit property exhibitions (see **Appendix A**). There are also a number of websites where you can obtain information and advice from other expatriates (see **Appendix C**).

☑ SURVIVAL TIP

Bear in mind that the cost of investing in a few books or magazines (and other research) is tiny compared with the expense of making a big mistake. Nevertheless, don't believe everything you read!

AVOIDING PROBLEMS

The problems associated with buying property abroad have been highlighted in the last decade or so, during which the property market in many countries has gone from boom to bust and back again. From a legal viewpoint, France is one of the safest places in the world in which to buy a home, and buyers have a high degree of protection under French law, irrespective of whether they're French citizens or foreign non-residents. Nevertheless, you should take the usual precautions regarding offers, agreements, contracts, deposits and obtaining proper title to a property.

The most common problems experienced by buyers in France include:

- **buying in the wrong place** – Do your homework (see **Regions** on page 53, **Location** on page 79 and **Research** above) and rent first (see **Renting Before Buying** on page 99).
- **buying a home that's difficult or impossible to sell** – If there's a chance that you'll need to sell (and recoup your investment) in the short to medium term, it's important to buy a home that will

be easy to sell. A property with broad appeal in a popular area (particularly a waterside property) usually fills the bill; it will need to be very special to sell quickly in less popular areas. A modest, reasonably priced property is likely to be much easier to sell than a large, expensive home, particularly one needing restoration or modernisation. In most areas there's a small market for renovated rural property. There are usually many potential buyers in the €50,000 to €100,000 price range, but they become much scarcer at around €150,000 unless a property is exceptional, i.e. outstandingly attractive, in a popular area and with a superb situation. In some areas, even desirable properties remain on the market for a number of years. The wrong decision regarding location is one of the main causes of disenchantment among foreigners who have purchased property in France.

- **buying a house and garden much larger than you need because it seems to offer such good value** – Although buying a house with umpteen rooms and several acres of land may seem like a good investment, bear in mind that, should you wish to sell, buyers may be thin on the ground (see above), particularly if the price has doubled or trebled after the cost of renovation (see below). You should think carefully about what you're going to do with a large house and garden. Both will require a lot of maintenance, and your heating costs will be high. After you've installed a swimming pool, tennis court and croquet lawn, you still have a lot of change left out of even a couple of acres. Do you like gardening or are you prepared to live in a jungle? Can you afford to pay a gardener? Of course you can always plant an orchard or vineyard, create a lake or take up farming! Don't,



on the other hand, buy a property that's too small; when you have a home in France, you'll inevitably discover that you have many more relatives and friends than you realised!

- **paying too much** – Foreign buyers, particularly the British, are often tempted to pay more than the true market value of a property because it's so cheap compared to a similar property in their home country and they're reluctant to negotiate for fear of losing it. Some French vendors and agents take advantage of this tendency by asking inflated prices.
- **grossly underestimating restoration and modernisation costs** – A tumbledown house for €50,000 can seem a steal, but renovation can cost as much as new building, and up to three times the purchase cost, as well as taking time and causing headaches (see **Renovation & Restoration** on page 163).

☑ SURVIVAL TIP

Before buying a property from an agent advertising in the foreign (i.e. non-French) press, check the prices of similar properties offered by French agents and *notaires* to ensure that you're getting good value.

See Cost of Property on page 32, Property Prices on page 134 and Negotiating the Price on page 142.

- **buying a property for business, e.g. to convert to a *gîte*, and being too optimistic about the income** – The letting season can be as little as 15 weeks in some areas, which means it's difficult or impossible to cover the cost of maintaining a home, let alone make

a living (see **Chapter 9** and *Earning Money From Your French Home* – see page 361).

- **not having an old property surveyed** – As surveys aren't usual in France, many people assume they aren't necessary – often with disastrous consequences (see **Inspections & Surveys** on page 151).
- **not taking legal advice** – Another common assumption among foreign buyers in France is that the *notaire* handling a sale will look after their interests and ensure that they don't run into problems, which isn't necessarily the case (see **Legal Advice** below).
- **not including necessary conditional clauses in a contract** – As above, the *notaire* handling the sale won't necessarily safeguard your interests by inserting provisos in the purchase contract (see **Contracts** on page 197).
- **taking on too large a mortgage** – French lenders are offering larger and longer mortgages, particularly to foreign buyers, which can tempt them into borrowing more than they can afford to repay (see **Chapter 4**).

If you're looking for a holiday home, you may be better off **not** buying a house or apartment outright but may wish to consider purchasing a mobile home (see page 169) or investing in a scheme that restricts your occupancy of a property to a number of weeks each year, such as part-ownership, leaseback or timesharing (see page 142).

Don't rush into any of these schemes without fully researching the market, and before you're absolutely clear about what you want and what you can realistically expect to get for your money.

Although it isn't possible to insure against a poor decision, you can insure against certain unknown problems, such as boundary disputes, rights of way over or use of a property and planning restrictions by means of title insurance, offered by



some estate agents and insurers, including UK insurers London & European (☎ 020-7929 7650, 🌐 www.europeantitle.com).

Legal Advice

The vast majority of people who buy homes in France don't obtain independent legal advice, and most of those who experience problems have taken no precautions whatsoever. Of those that do take legal advice, many do so only **after** having paid a deposit and signed a contract or, more commonly, after they've run into problems.

☑ SURVIVAL TIP

The most important thing to do before buying property in France (or indeed anywhere) is to obtain expert, independent legal advice from someone who's familiar with French law.

As when buying property in any country, you should never pay any money or sign anything without first taking legal advice in a language in which you're fluent from an experienced lawyer. You'll find that the small cost (in comparison to the price of a home) of obtaining legal advice is excellent value, if only for the peace of mind it affords. Trying to cut corners to save a few euros on legal costs is foolhardy in the extreme when a large sum of money is at stake.

You may be able to obtain a list of lawyers who speak your language and are experienced in handling French property sales, either in France or in your home country, e.g. British buyers can obtain a list from the Law Society in the UK. Specialist lawyers advertise in Francophile newspapers and magazines (see **Appendix B**).

There are professionals speaking English and other languages in all areas of France, and many expatriate professionals (e.g. architects and surveyors) also practise there. However, don't assume that because you're dealing with a fellow countryman he will offer you a better deal or do a better job than a French person (the contrary may be true). It's wise to check the credentials of all professionals you employ, whether French or foreign.

It's **never** wise to rely solely on advice proffered by those with a financial interest in selling you a property, such as a builder or estate agent, although their advice may be excellent and totally unbiased.

Finance

You should have your finance in place before you start looking for a property and, if you need a mortgage, obtain a mortgage guarantee certificate from a lender that guarantees you a mortgage at a certain rate, which is usually subject to a valuation (see **Mortgages** on page 188). There's a mandatory conditional clause in French contracts that allows buyers to withdraw from a contract and have their deposit returned if they're unable to obtain a mortgage, although this applies only in certain circumstances. If you're buying a property for restoration, note that most lenders won't make a loan against a property that they consider uninhabitable (e.g. lacking access or sanitation) and they may require 'proof' that the restoration costs won't exceed 40 per cent of the purchase price (in which case a little inventiveness may be required on your part!); you might also be required to use French-registered builders, which is recommended in any case (see **DIY or Builders?** on page 165). You'll also need a 10 per cent deposit when buying a property more than five years old plus the fees and taxes associated with buying, which can



be up to 40 per cent of the purchase price (see **Fees** on page 226).

BUYING FOR INVESTMENT

With prices rising faster than inflation in most areas and at several times the rate of inflation in many, French property is an attractive investment proposition, particularly in popular areas such as the Mediterranean coast and parts of Brittany and the west coast. A recent survey by property investment specialist Assetz concluded that French property is outperforming that of the UK, Spain and Florida with an average 92 per cent return on investment compared with 81 per cent in Florida and just 35 per cent in the UK. However, it's important to be fully aware of the nature of investment in property and the risks involved.

There are various kinds of property investment. Your family home is an investment, in that it provides you with rent-free accommodation. It may also yield a return in terms of increased value (a capital gain), although that gain may be difficult to realise unless you trade down or move to

another region or country where property is cheaper.

☑ SURVIVAL TIP

If you buy property other than for your own regular use, e.g. a holiday home, you'll be in a position to benefit from a more tangible return on your investment.

There are four main categories of investment property:

- A holiday home, which can provide your family and friends with rent-free holiday accommodation while (hopefully) maintaining or increasing its value; you may also be able to let it to generate supplementary income.
- A home for your children or relatives, which may increase in value and could also be let when not in use to provide an income.
- A business property, which could be anything from a private home with bed and breakfast or guest accommodation to a shop or office.
- A property purchased purely for investment, which could be a capital investment or provide a regular income, or both. In recent years, many people have invested in property to provide an income on their retirement.

A property investment should be considered over the medium to long term, i.e. a minimum of five and preferably 10 to 15 years, as you need to recoup the high purchase costs – up to 40 per cent of the value of a home (see **Fees** on page 226) – when you sell. You also need to take into account income tax if a property is let (see **Taxation of Property Income** on page 226) and capital gains tax (see page 231) when you sell a second home. **Bear in**

mind that property isn't always 'as safe as houses' and property investments can be risky over the short to medium term.

If your investment depends on letting income – i.e. you'll be relying on this to cover a mortgage and running costs and using the property yourself only for occasional holidays or not at all – you must choose a property with the maximum 'lettability', which won't necessarily be the type of property you'd choose for a holiday home. Bear in mind also that rental rates vary according to the region and town, and that an area with high rents and occupancy rates one year may not be so fruitful the next. Most popular parts of France now have a surplus of holiday rental property and many owners are turning to long-term rental, for which the demand is growing (e.g. among house-hunters, people on short-term work contracts and retirees wanting a winter retreat), although this necessarily limits your own use of a property. Gross rental yields (the annual rent as a percentage of a property's value) are from around 5 to 10 per cent a year in most areas (although gross yields of 15 per cent or more are possible); net yields (after expenses have been deducted) are 2 to 3 per cent lower.

If you're a French resident and paying French tax, you're entitled to make a property investment in accordance with the *loi Robien*, which is equivalent to a buy-to-let arrangement in the UK. Passed in 2003 and revised in September 2006, the *loi Robien* applies to the purchase of new (and, in certain cases, old) apartments for letting as principal residences for a minimum of nine years and allows you to claim up to 65 per cent of the purchase price (8 per cent per year for five years, then 2.5 per cent for up to 10 years) as well as certain expenses against tax. Letting is often managed by the developer, so you have nothing to do.

According to Penny Zoldan of Latitudes estate agents (UK ☎ 020-8951 5155, 🌐 www.latitudes.co.uk), the best places to buy for investment are the major cities, especially Marseille and Montpellier, where major investment in infrastructure is being made, but also Bordeaux, Lille, Toulouse and, of course, Paris, while Nice offers the best of both worlds: demand for long-term rentals among the working and student population and demand for holiday accommodation.

The following table (derived from information published by the FNAIM) gives average apartment rents in selected cities in January 2008.

Average Rental Prices		
City	Annual Increase 2007-08	Average Rent per m ²
Biarritz	+4.8%	€12.14
Bordeaux	+4.0%	€11.47
Brest	+1.7%	€8.70
Caen	+5.9%	€11.46
Cannes	-6.9%	€14.36
Dijon	+0.8%	€10.75
Grenoble	+1.2%	€12.66
Lille	+2.4%	€12.19
Limoges	-0.3%	€8.28
Lyon	+3.3%	€11.55
Marseille	-0.6%	€12.34
Metz	+2.1%	€9.16
Nancy	-2.3%	€9.16
Nantes	+0.2%	€10.64
Nice	-4.1%	€13.61
Orléans	-0.7%	€10.35
Pau	+4.1%	€10.01
Perpignan	-3.3%	€9.02
Rennes	+0.6%	€11.69
Strasbourg	+2.2%	€10.28
Toulouse	+1.7%	€11.61

Before deciding to invest in a property, you should ask yourself the following questions:

- Can I afford to tie up capital for at least five years?
- How likely is it that the value of the property will rise during this period, and will it outstrip inflation?
- Can I rely on a regular income from my investment? If so, how easy will it be to generate that income, e.g. to find tenants? Will I be able to pay the mortgage if the property is empty and, if so, for how long?
- Am I aware of all the risks involved, and how comfortable am I with taking those risks?
- Do I have enough information to make an objective decision?

For further information about letting, see **Chapter 9**. See also **Location** on page 79, **Mortgages** on page 188, **Leaseback** on

page 142, **Guaranteed Mortgage Income Product** on page 146 and **Chapter 9**.

CLIMATE

France is the only country in Europe that has several distinct climatic zones (three or four according to interpretation): maritime along the west and north-west coast (and making its influence felt as far inland as the departments of Dordogne, Lot, Tarn and Tarn-et-Garonne), continental in central and eastern areas, and Mediterranean in the south-east and in Corsica, with a mountain climate in the Alps, Pyrenees, Massif Central and Vosges and numerous micro-climates making certain areas warmer, drier, wetter or colder than you might expect. The Alps and Pyrenees in particular experience extremes of weather, and there can be violent winds and storms in the south and north-west.

It therefore isn't easy to generalise about weather (*temps*) and, if you're

statue, Versailles, Ile-de-France



planning to live in France and don't know whether the climate (*climat*) in a particular region will suit you, it's advisable to rent accommodation until you're absolutely sure, as the extremes of hot and cold in some areas are too much for some people. If you're seeking 'guaranteed' sun you need to head south. Generally the Loire river is considered to be the point where the cooler northern European climate gradually begins to change to the warmer southern climate. Spring and autumn are usually fine throughout France, although the length of the seasons varies according to the region and altitude.

The west and north-west (e.g. Brittany and Normandy) have a maritime climate tempered by the Atlantic and the Gulf Stream, with mild winters and warm summers, and most rainfall in spring and autumn. The area around La Rochelle in the west enjoys a pleasant micro-climate and is the second sunniest area of France after the Côte d'Azur. Many people consider the western Atlantic coast to have the best summer climate in France, with the heat tempered by cool sea breezes. The Massif Central (which acts as a weather barrier between north and south) and eastern France have a moderate continental climate with cold winters and hot and stormy summers. However, the centre and eastern upland areas have an extreme continental climate with freezing winters and sweltering summers (for details, refer to *The Best Places to Buy a Home in France* – see page 361). The northern Massif is prone to huge variations in temperature and it was here that an amazing 41°C (106°F) minimum/maximum temperature difference was recorded **in one day** (on 10th August 1885).

The Midi, stretching from the Pyrenees to the Alps, is hot and dry except for early spring, when there's usually heavy rainfall; the Cévennes region is the

wettest with some 200cm (79in) of rain a year. Languedoc has hot dry summers and much colder winters than the French Riviera, with snow often remaining until May in the mountainous inland areas. The Riviera enjoys a Mediterranean climate of mild winters, daytime temperatures rarely dropping below 10°C (50°F), and humid and very hot summers, with the temperature often rising above 30°C (86°F). The average sunshine on the French Riviera is five hours in January and 12 hours in July.

 **Caution**

Bear in mind that although it's much warmer than the north of the country, it can get quite cold on the French Riviera in winter and it even experiences snow occasionally.

The higher you go, the colder it gets, so if you don't like cold and snow, don't live up a mountain, e.g. in the Alps, Pyrenees, Vosges, Auvergne or Jura mountains. The mountains of the Alps and Pyrenees experience extremes of weather with heavy snow in winter and hot summers, although the western Pyrenees have surprisingly mild winters. The natural barrier of the Alps disrupts normal weather patterns and there are often significant local climatic variations. Central and eastern France have the coldest winters and consequently the highest heating bills. One of the most unpleasant aspects of very cold winters is motoring. If you need to commute in winter, bear in mind that roads are inevitably treacherous at times and can be frightening if you aren't used to driving on ice and snow (fog is also a particular hazard).

Average annual sunshine hours and days' rainfall in selected towns and cities