



Buying property

Guide



Buying property is often akin to clearing an obstacle course.

What precautions should I take?

- > **Meet your notary** before your project and especially, don't sign anything without consulting him first.
- > **He will assist you** and help you to safely complete your transaction.



What documents should I provide?



As soon I reach an agreement with the seller, I give the notary

• Documents pertaining to my personal situation

If I'm a private person :

- A copy of my identity card and that of the other buyers or parties involved (spouse, civil partner)
- A copy of my marriage certificate or my civil partnership agreement (PACS)
- The duly-completed civil status questionnaire (submitted by my notary).

If I'm a company :

- The certified true copy of my most recent company memorandum and articles (registered office, share capital, partners,...)
- an extract of the certificate of incorporation (K-bis)
- a copy of the general meeting which appointed the manager
- a copy of the general meeting which authorised the acquisition.

• Documents pertaining to my financing

- The terms of my loan(s) with the name and address of my bank and the amount and the rate of the loan requested or obtained
- The copy of the loan offer as soon as I receive it and at the latest for the date stated in the pre-contract
- The terms of my personal contribution:
 - savings, before or during the marriage or the civil partnership
 - gift
 - inheritance
 - family loan
- If part of the financing has to be paid with the price obtained from selling a property that has not yet been sold, I must provide a copy of the title of ownership to said property.



Before the day of the pre-contract, I must contact my bank for a transfer made to the account of my notary

- for a security deposit for which the amount, fixed in agreement with the seller, is usually 5 to 10% of the sale price
- for an interim payment on fees for the documents which the notary will have to search for to prepare the file.



Before the day of the acquisition, I must

- ask to my bank a transfer made to the account of my notary to settle the outstanding price and fees. The exact amount will be confirmed. The funds must be credited to the notary later than the day of the signing of the deed
- my cheque book to settle the reimbursements of the prorated amount of the property tax, joint property expenses, working capital and special fund for works, if any ;
- the comprehensive home insurance certificate.

❖ My checklist

Buying as a couple

Couples, whether married under the separation of assets regime, in a civil partnership or as co-owners, must indicate each party's percentage in the acquisition depending on the actual contribution of each party to the payment of the acquisition cost, the amount of the commission and the cost of works, if any.





Who should I talk to ?

the notary

He ensures that the deed is legally safe by analysing the documents that you gave to him or which he obtained through his services to guarantee in the name of the State, the fact that you are becoming an owner.

He is the guarantor of this indisputability.

To do so, after checking and studying your documents, the notary will :

- draw up the pre-contract or receive a copy from the real estate agency who wrote the pre-contract
- verify your capacity to act by obtaining the birth and marriage certificates and the K-Bis document as appropriate
- request and obtain the agreement of all parties required for the validity of the deed (spouse, civil partner, co-owner, co-heirs, co-donnees, etc.)
- verify the quality of the seller's title of ownership by obtaining a mortgage statement (easements, mortgages,...)
- obtain the urban planning documents required for your information (information notice or town planning certificate, zoning, sewage, alignment,...)
- obtain from any holder of a pre-emptive right the waiver to exercise such right (municipal authorities, SAFER, coastal agency, tenants, co-owners, etc.)
- obtain from the joint property manager, a legal and accounting statement known as «état daté» (time-stamped statement)
- draw up and address the draft deed accompanied by an itemised financial statement
- organise the appointment and ensure that the funds will be released by your bank if the mortgage loan is.

- obtain a certificate of the origin of the funds as required by anti-money laundering regulations
- prepare the calcul of the prorated property taxes, joint property expenses and rents
- plan for the repayment of working capital, security deposit and as applicable any joint property works
- ensure the registration of the sale in the appropriate administrative and tax registers (Service land registration)
- warn the property manager and the tenant, if any change of ownership, by registered letter
- proceed to the release of all guarantees by preparing a certificate of release and publishing it.
- send a true copy of your acquisition deed which is your title of ownership and the available balance accompanied by the account statement and the due, as soon as you receive the formalities from the Service land registration.



> the real estate agent

This is a regulated profession. It requires that you authorise a real estate agent with a card and professional liability insurance to act as your proxy.

His duty is to :

- show you the property
- receive your purchase offer in writing
- request a deposit from you during the sale if he writes the pre-contract (promise, agreement)
- send all the documents in his possession to your notary
- return the deposit during the sale if he writes the pre-contract (promise, agreement)

It is better for him to conduct a last visit of the premises and read all the utilities meters the day of the signature. He attends the signing meeting during which his commission will be paid by the buyer or yourself depending on the terms of the mandate.



> the banker

At the notary's request, he must :

- provide before the sale, the information regarding the reimbursement of the loan and indicate the outstanding amount owed to settle the credit which generally includes an early repayment compensation
- send the loan amount to the notary/writer if the mortgage loan is.
- supply after payment, the reimbursement certificate and the documents required to prepare the certificate of release if the refunded loan was covered by a mortgage or lender's preferential claim.



What is the time frame for closing the acquisition?

There is no rule against proceeding directly to the sale of the property without going through the process of a pre-contract subject to the time limit of seven days reconsideration period.

However, it is customary to draft a pre-contract (promise or agreement) to formalise the reciprocal commitment between you and the seller and set the terms and time frame for completing the sale. This pre-contract is required to allow you to obtain your loan.

Signature of the pre-contract in the notary's office

There is no minimum time so long as the writer has the title of ownership and the required audits.

Providing the other documents confirms the seller's commitment to sell.

Signature of the sale at the notary's office

The signature time is contingent on :

- the time required for the holders of pre-emptive rights to waive the exercise of their rights (generally two months)
- the time required to obtain your financing. The law grants the acquirer of a housing property a minimum period of one month to obtain a «loan offer» and the acquirer can only accept the offer after a reconsideration period of 11 days. It is customary to give you a period of 45 days to obtain your funding.

These periods are not cumulative.



— Timeline of a property sale

D-3	<ul style="list-style-type: none"> • Civil status • Financing and personal contributions • Analysis of the title of ownership (description / surface area / audits)
Signature of the pre-contract	<ul style="list-style-type: none"> • Calculating estimated costs • Cheque or bank transfer of the security deposit or booking fee • Tax consequences (Capital gains/VAT, etc.)
D+7	<ul style="list-style-type: none"> • Expiry of the revocation right (seven days from the notification)
D+8	<ul style="list-style-type: none"> • Review of the administrative file (town planning file,...)
D+15	<ul style="list-style-type: none"> • Expiry of the pre-emptive rights
D+20	<ul style="list-style-type: none"> • Mortgage statement • Statement of receivables
D+45	<ul style="list-style-type: none"> • Proof that the loan offer has been obtained
D+70	<ul style="list-style-type: none"> • <i>Maximum period for obtaining the documents</i> • <i>Preparation of the draft deed</i> • <i>Possibility of signing the deed (another visit of the property before signing)</i>
Publication of rights	<ul style="list-style-type: none"> • the Service land registration • delivery of the certified copy of the deed constituting deed accompanied by a statement



Pre-contract generally have a completion term of 2 to 3 months (unless you intend to use your property for building which then requires obtaining a building permit or any other administrative permit).

The notary cannot settle a residential property sale unless the seven day reconsideration period has expired.

✦ Note

The notary is at the centre of the local real estate market.

He knows about price developments, and as a qualified professional, he is knowledgeable about real estate transactions, appraisals, tax issues and advice on asset management. He is perfectly aware of the legislation and will give you informed advice about the asset and tax consequences arising from the transaction.



What expenses do I have to pay for?

Your overall budget includes :

- the price of the property
- the taxes and duties, namely, the conveyance taxes paid to the French Treasury: publication of rights tax, fee for the real estate guaranty , VAT,
- taxes and duties, the fees of the notary (remuneration of the firm) and other expenses corresponding to the amount of the acquisition costs, inappropriately known as «notary expenses»
- the notary's fees as based on a government-defined Rate
- the disbursements, the sums paid by the firm to third parties (surveyor, property manager, government administration) for your property purchase
- Mortgage loan fees or deposit
- the fees payable to the bank
- the commission of the real estate agency
- or as applicable, the property transaction honoraria owed to the notary in case he presents the property.

To calculate the expanses linked to your acquisition



- you can simulate your transaction on www.notaires.fr
- the results are given for information only and under no circumstances should they be considered as binding. This preliminary information can be safely completed by your notary.



Your notary is at your service to help you and assist you in any property transaction that you may have.

