

What is a typical conveyancing timeline for the purchase of French property?

Solicitor MICHAEL BULA answers your burning questions about purchasing property in France.

Pre-contract

The French property market varies wildly, from solid Paris apartments to village houses or farmlets in rural France, as much as it does from the stability of prices maintained in the big cities to very attractive values in remote areas.

Care should be taken by Australian purchasers to find reputable agents to deal with who can provide good support, from locating a property to expertly negotiating its price.

When the property is located and terms and conditions, including or excluding furniture and fittings, and agent's commission agreed, the vendor must produce the compulsory diagnostic certificates, such as for lead, asbestos, termites, energy performance, otherwise a contract is void in France.

An individual purchaser must produce all civil status identity documents (passport, driver's licence, birth certificate, marriage and divorce certificates, change of name). For a company purchaser, additional proofs such as constitution, certificate of incorporation, certificate of change of name of company, minutes of meetings and resolutions are required.

The contract

The contract can take a number of forms, usually a *promesse de vente* or *compromis de vente*. Great care must be taken to ensure that it is appropriately drafted for French and Australian legal and conflicts of laws purposes to protect the purchaser's interests. This can only occur through an experienced French-speaking international lawyer in Australia. Usually a five-per-cent or ten-per-cent deposit is requested at the time

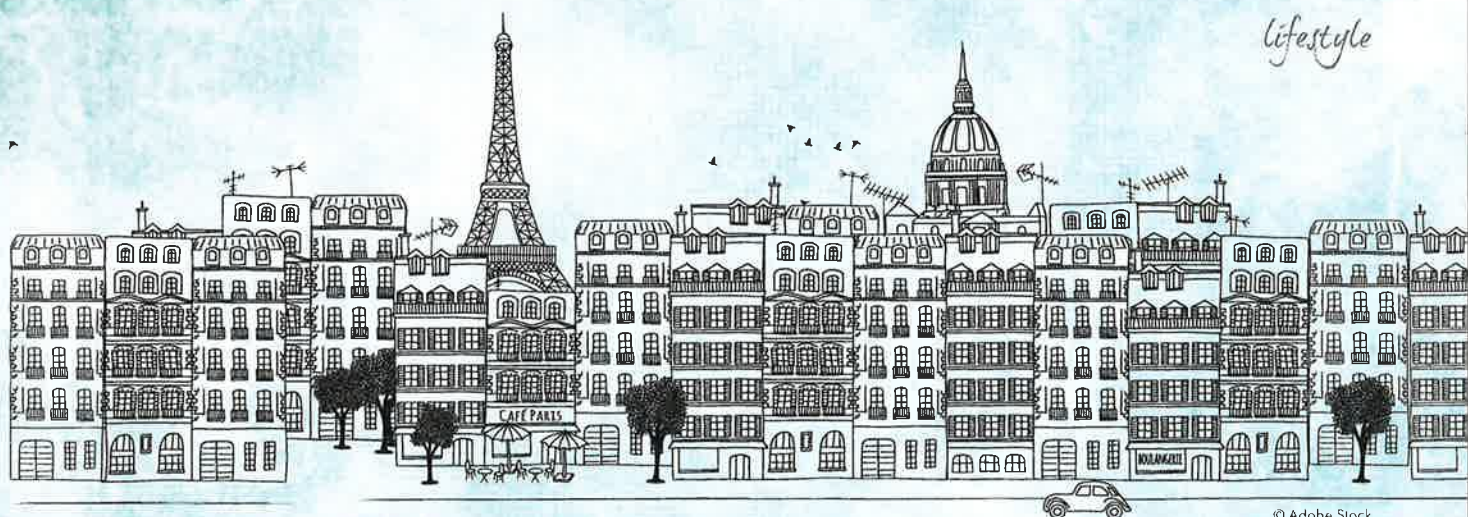
of signing in France or in Australia. A ten-day cooling-off period applies from the date when the purchaser receives copies of the contract signed by all parties, and not before. There are a number of combinations where purchasers may be in Australia, in France, or elsewhere.

The contract will give rise usually to a number of conditions precedent. The notary will verify the chain of title, planning, zoning, and building and other contractual property matters in the normal course. The purchaser should consider signing a notarised power of attorney in favour of (any and all) the notary's clerks (as a group) who are covered by professional indemnity insurance, available and experienced.

Settlement

When the contract becomes unconditional after the cooling-off period and lack of exercise of any statutory compulsory acquisition rights (if applicable) and satisfaction of all other conditions, settlement may take place on average three to four months from the date of contract. Settlement is a much longer affair in France than its counterpart in Australia. *Actes authentiques de vente* (sale deeds) are read out loud at settlement, which may take several hours. They are sometimes repeated in English with an official interpreter if required by any of the parties, with other combinations. There may be a mortgage deed or *acte de prêt* too.

Before settlement, the notary should issue a detailed accounting of funds required for the balance of purchase moneys, as well as notary's fees and government transfer duties and taxes. These moneys must be received by the notary in the trust account several days before settlement.



Post-settlement

Certificates of title in hard copy or electronic form do not exist in France as they do in Australia. The notary should issue a notarial property certificate (*attestation de propriété*) after settlement, as proof of ownership. The title booklet with all annexures, which is a reproduction of a true certified copy of the sale deed signed at settlement, will be available after all duty and fiscal formalities are completed some months after settlement.

The notary will then account to the purchaser for moneys received and usually refund several hundred euros, as their trust account must always be in credit or in additional credit and never in debit.

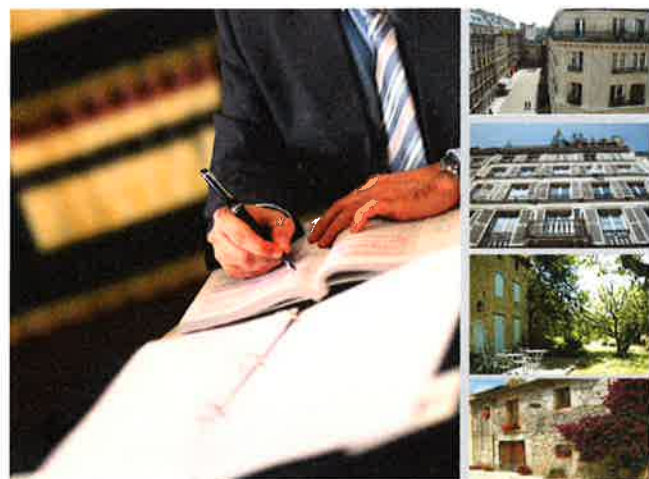
This article is purely generic and non-exhaustive. Full expert legal advice should be sought from A to Z – from pre-contract to post-settlement.

To this timeline could be added other processes or options, such as obtaining a French mortgage, incorporating a French company, having an Australian company recognised in France to effect the purchase – all separate procedures.

Purchasers should, of course, organise full insurance prior to settlement, as well as the transfer of all utilities and subscriptions for the property. The real estate agent can usually assist in this domain.

Sounds simple? Only need an English-speaking *notaire* in France? Think again. In the ever-changing French, Australian and international legal landscape – up-to-date legal, notarial and French translation support and knowledge of the civil law and common law jurisdiction are all a must to avoid many unforeseen pitfalls. ♣

Settlement is a much longer affair in France than its counterpart in Australia ... Actes authentiques de vente (sale deeds) are read out loud at settlement, which may take several hours.



Michael Bula Solicitors
MBS International Lawyers

FRENCH PROPERTY SERVICES

- All legal aspects of buying and selling property in France
- International legal, notarial and NAATI professional translation services
- Recognised in France and Australia
- Legal Counsel to the French Embassy and Consulate General

LIVE **YOUR** FRENCH DREAM

www.mbsols.com.au 03 9347 8333