



LEGALESE: DEATH & TAXES

with resident lawyer and notary Michael Bula

What are the typical costs [notary's fees and government charges] for an apartment in Paris built more than five years ago for a purchase price of €300,000 without furniture or French bank loan, not negotiated by a notary?

	AMOUNT	VAT - TVA
LEGAL FEES - NOTARY		
	VAT	
Ad valorem notarial legal fees	2,886 €	566 €
Copies and expenses (estimate)	800 €	157 €
Total legal fees for the notary	3,686 €	
DUTIES PAYABLE TO THE FRENCH STATE [TRÉSOR PUBLIC]		
Registration duties	15,270 €	
Total duties due [Trésor Public]	15,270 €	
Land Office fees		
Publication or gazettal fees for the sale	300 €	
Total Land Office fees [Trésor Public]	300 €	
DISBURSEMENTS		
Estimate of additional out-of-pocket expenses [certificates, body corporate, surveyor]	400 €	
Total disbursements	400 €	
VAT		
VAT amount [Trésor Public]		723€
Totals	19,656 €	723€

Total fees payable rounded up to 20,400 €

All inclusive notary fees, government duties and expenses represent 6.80% of the acquisition price, of which 5.43% is payable to the French State [Trésor Public].

Of this 6.80% of the purchase price, 79.95% goes to the French State, 18.09% to the notary and 1.96% for out-of-pocket expenses.

What are the most common preliminary contracts for the purchase of French property?

1. Avant-contrat

The preliminary contract or avant-contrat is usually signed upon the purchase transaction of French property some months prior to the acte de vente or sale deed at settlement. This is indeed a formal contract which binds and engages the obligations of the two parties. The terms and conditions of the sale and agreement are embodied in this document. The typical forms are the: promesse de vente

"If the purchaser elects to proceed with the purchase, the deposit is retained as part of the proceeds of the purchase. However, if the purchaser renounces the purchase or does not accept the purchase transaction within the period specified, the deposit remains the property of the vendor by way of damages"

or compromis de vente, both of which have very different legal consequences for the purchaser and vendor.

2. Promesse de vente

The vendor agrees with the purchaser [the beneficiary] to sell French property for a fixed price. This amounts to an option for a limited period which is generally two to three months. The vendor cannot sell the property to another purchaser during this period. Usually a deposit of 10% of the sale price is paid by the purchaser.

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To be valid, the promesse de vente must be registered with the tax office within 10 days following signature if by way of private deed [contract drawn by an agent] or within one month if by way of a notarial deed. Registration duties payable by the purchaser are in the order of €125.

3. Compromis de vente

This form of contract is more akin to those in Australia where both parties are immediately legally bound to the transaction by way of contract. This is the most secure method of purchase of French property for a purchaser.


If one of the parties renounce, the other may seek specific performance in the courts and seek costs and damages. The signature of the compromis is accompanied by the payment of a deposit of between 5% and 10% of the sale price. Usually there is a clause pénale or penalty clause which fixes the amount of damages if a purchaser does not proceed with an unconditional contract.

Unlike the promesse de vente, the compromis de vente does not require registration with the tax office.

4. Offer to purchase or offre d'achat

Often presented by real estate agents, this document must be treated with extreme caution as it can bind the purchaser but not the vendor. Acceptance of the offer by the vendor is by registered mail with return receipt card. The purchaser has a cooling-off period of 7 days [see below].

Cooling-off period

Upon receipt of a copy of a preliminary contract signed by both parties, a purchaser has seven days to cool off and withdraw from the day after the date of receipt. Such withdrawal must be notified in writing by registered letter with return receipt card, where the postal stamp when forwarded must bear a date within seven days from the date of receipt of the copy contract. 

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