

The Finer Details

Solicitor MICHAEL BULA outlines the fees you can expect to pay a Notary when purchasing a property in France.

What are the costs associated for the Notary (Notaire) with respect to real property purchase and mortgage loans in France?

There can be some misconceptions in terms of the notarial legal fees and government charges for typical French property acquisitions. Generally, the all-inclusive charge, including TVA or GST equivalent, varies from 6% to 8% throughout France. This is based on the *ad valorem* calculations, which use the purchase price and, if relevant, secured notarial deed mortgage loan advance amount as the basis for calculation.

Why 6% to 8% and not a fixed percentage throughout France? This is the result of different rates for different types of property (old, off-the-plan etc.) and decentralisation and varying departmental and local duties which apply – such as national duties, local and regional/departmental tax, official publication or gazette tax, Land Office registration fees and expenses, to name a few.

Notaire's fees

Fees are regulated and prescribed by Government as part of a compulsory national scale by virtue of Decree no. 78-262 of 8 April 1978.

There are different scales for transactions or notarial deeds for property conveyancing, successions, gifts, marriage contracts etc. Charging of additional fees is prohibited, except by authority of the local Professional Body (*Chambre des Notaires*). Work not covered by scale is subject to written agreement with the client, as provided pursuant to Article 4 of the above Decree, and is dealt with below under Non-regulated fees.

Notaire's fee scale or tariff

Based on scale, fixed calculated quotes for property acquisitions provide certainty and are available to clients upon request. If a second *Notaire* is engaged – for example, one for vendor and one for purchaser, which is my recommendation – the matter is handled jointly and does not increase the fee as the two *Notaires* share the fee and there is more added value in independent representation.

The *Notaire* will, at the opening of the file, request some fees in advance for searches, certificates, applications, company extract fees from the Tribunal de Commerce (Commerce Court) etc.

As a public officer and delegate of the State, the *Notaire* collects, on behalf of the State and local authorities, a variety of taxes and charges (registration

duties, *Taxe Foncière* (Land Tax), TVA [GST], etc.) included in the breakdown as “*frais de Notaire*” or *Notaire's* fees and disbursements.

What are the “frais de Notaire” (Fees of the Notaire)?

This inaccurate and confusing expression “*frais de Notaire*” comprises all amounts paid to the *Notaire* for the conveyance. In reality, only a part of these amounts are legal professional fees. The remainder is paid to Treasury for registration duties, taxes, charges due on deeds, or to various departments and professional organisations, as necessary.

Non-regulated fees: the *Notaire* can, in addition to regulated fixed-fee conveyancing or similar classified work, advise, consult third parties, etc. This type of work will be on a fee-paying basis with prior written agreement from the client. Examples are drafting Company Statutes, commercial leases, sale of business deeds etc. Such work has been de-regulated and consequently charged on a non-tariff or agreed basis.

Example of Fees and Government Charges

The following is a current breakdown of charges for the acquisition of a property for a purchase price of €400,000 with a French-based mortgage of €200,000.

Banks and mortgage brokers are available in France and in the UK to assist Australian purchasers wishing to avail themselves of French property loans with

the currently competitive interest rates. However, guidance from an international legal expert – not only for the conveyance, but also for the mortgage security work – is recommended, to assist with French, private international law, conflicts of law and bank requirements.

Breakdown of Professional Fees of the Notaire and Government duties	Amount	TVA (GST)
Pro rata professional fees on the purchase transaction	€ 3,711	€ 742
Pro rata professional fees on the mortgage	€ 687	€ 137
Copies and formalities fees (estimate)	€ 800	€ 160
Total Professional Fees	€ 5,198	
Duties due to the French Treasury		
Registration duties	€ 23,227	
Total of duties to the French Treasury	€ 23,227	
Costs for Land Office Publication (real property register)		
Publication fees	€ 400	
Mortgage publication fees	€ 240	
Total for Registration Fees (real property register)	€ 640	
Disbursements		
Estimate of out of pocket expenses (authority certificates, owner's corporation, etc.)	€ 400	
Total Disbursements	€ 400	
TVA (GST)		
Amount of the TVA (GST)		€ 1,039
Total Amount of Fees and Duties rounded up to €30,600		

In the example, total costs and charges represent 7.65% of the purchase price of which 6.23% are payable to the French Treasury.

Allocation of Costs and Expenses of the 7.65%:

State 81.65%

Notary 17.04%

Out-of-pockets/disbursements 1.31 % ♣