



HOMES IN FRANCE AND THEIR PRICES

Some examples of homes for sale taken from the 1st-for-french-property website include:

■ A two-bedroom stone house with small garden and a pool in the middle of Le Boulou in the Languedoc-Roussillon region. Twenty minutes to the airport, beach or Spain. On the market for €194,000 (\$314,000)

■ A six-bedroom stone house built in the 1800s on 2ha of land with a river, springs and vines – on the market for €892,000

■ A four-bedroom villa in Carcassone (in the same region) for €347,000

■ In Dordogne, a 14th-century renovated three-storey stone house with two bedrooms and two bathrooms, terrace and 35sqm cellar. Overlooking

the village of Domme. On the market for €225,000

■ In Montignac (also in Dordogne) a five-bedroom 19th century stone house on 9ha including barn, stable and 7500sqm of gardens for €375,000

BOOKS

■ *The Complete Guide to Buying Property in France*, by Charles Davey. Kogan Page, \$46

■ *The Which? Guide to Buying Property Abroad*, by Jeremy Davies. Which? Books, \$36

■ *Buying Property in France*, by Danny Lee. Lawpack Publishing, \$25

Chateau boxing: After riding on the cote tales of France, Australians are now looking to other countries

A fear in Provence: be careful how you buy

International

BEING carried away by the moment is probably one of the biggest pitfalls as you ponder buying that little farmhouse in Provence.

The danger is ending up with something you wouldn't even look at in Australia, says international lawyer Michael Bula.

"Renovations are expensive, a lot of buildings are stone, are classified or have historical orders and you have to be careful — you can't just bang on a shed."

The language is also a complication, but generally there are English speakers at the town halls and build-

ing departments in most regional areas.

It is also worth remembering that tax and succession laws in France are different to those in Australia.

An Australian will does not automatically apply in the case of a deceased estate.

"If you buy in your name in France and leave an Australian will, personal property such as shares and furniture will go to the person you willed it to, but property doesn't."

The solution can be to set up a French or Australian company to buy the property and then the shares can be willed to anyone.

In the past few months Bula has worked on two deals. In one, a

syndicate of Australians formed an Australian company to purchase a home in the south of France. In the other, the buyers elected to form a French company to make a purchase in the same general area.

In the case of a French company there are fewer recognition issues, he says.

In the case of syndicates, he notes it is important to have a shareholder agreement that details the value of the shares, the exit strategy and what would happen if someone dies or wishes to bring in another shareholder.

Another consideration is the tax department in France, which assumes any asset such as a holiday house or

second residence is earning an income.

"You must lodge a return even if you didn't earn any income from the property. Otherwise the tax office will go ahead and calculate the income at a market rate," he says.

The other aspect in French investment is the importance of a notaire, or notary.

There are no conveyancing kits in France — buyers must use a notaire and a completed agreement by these officials is tantamount to a court order.

Spain and Italy also use notaries. Majella Corrigan