

● guide to buying property in France





Contents

The French property market and buying process.....	3
Hitting the right spot • Rental returns • Sale-and-leaseback • Buying process • Buying off-plan property Buying costs	
Legal matters.....	8
The solicitor • Making an offer • Sales and purchase contract • Promesse de Vente • Compromis de Vente Building surveys • Local searches • Title searches • Planning • Homeownership • Inheritance rights Completion • Deed of sale ('acte authentique') • Power of attorney • Proof of purchase	
Taxation.....	10
Tax ID • Property tax • Property transfer tax • Registry fees & VAT • Capital gains • Income tax Wealth tax • Double taxation treaty • Local taxes	
Mortgages.....	11
Sensible lending conditions • Deposit • Repayment or interest-only? • Fixed- or variable-rate? Insurance • Warning	
Retirement in France.....	12
Living expenses • Financing your retirement • Sterling-euro exchange • Pension payments Are you eligible to receive a state pension? • Annual rises in state pension • Payment of your pension Taxing your state pension • Non-UK residents • Healthcare • Help in emergencies	
Banking in France.....	14
Selecting the right bank for you • Resident and non-resident accounts • Opening a bank account	
Currency exchange to and from France.....	16
Top advice • Selling a property in France • Funding your new life in France • Tailored service for you Spot contracts • Forward contracts • Frequent transfers • Limit orders • Main benefits of using an FX provider • Keep an eye on the markets • Rate watch • Email messages • Social media websites	

Imagine the scene: the sun is shining and the birds are starting to build nests. We humans are thinking of long, sunny days, bright blossom all around and a heat haze over the distant fields. How delightful to have a little nest, a house in France, a home from home, a tranquil retreat, where the bees are buzzing and the crickets chirp. No persistent phone calls, no road noise ... just perfect peace.



Section 1

The French property market and buying process

With the chancellor adding extra taxes on second-home owners here, many people will be looking across the Channel for their dream getaway. The French property market has cooled over the past couple of years, but figures show that falling prices are at least slowing, if not starting hesitantly to rise. In addition, low interest rates are tempting buyers to take the plunge and the recent favourable exchange rate has increased interest from Britons.

Notaires de France report that sales last year were up 12.5%. They say prices are edging higher in some areas and for some properties, and that mortgage rates remain low. This leads some to suggest that France is glimpsing an economic recovery, although others are cautious as to whether this slight upturn will continue.

The general opinion is that Brexit is unlikely to influence Brits buying in France. Whatever the outcome, we will notice changes only gradually. The pound is likely to slip lower as the vote looms, so it's possible there will be a rush to buy sooner rather than later. Although Brits, Italians and Belgians together form 60% of non-resident foreign buyers, non-EU nationals are not put off buying in France. If we left, benefits, pensions and healthcare agreements would have to be renegotiated. Tax arrangements could change, too. But most commentators believe that the Brits will continue their love affair with French property.

Trevor Leggett, chairman of Leggett Immobilier, says there has been no slowing of demand from British purchasers and in fact

activity is up 40%: "We've just published our first quarter figures which show that, so far, the possibility of a Brexit has had zero effect on demand for French property. Our 2016 sales (Jan 1st - March 31st) are 40% up on last year and our pipeline of offers accepted and sales exchanged has seen a similar increase.

"The French market has been in the doldrums since 2008 but the Notaires de France recently announced that prices had stabilised and, in some areas, begun to rise again. International buyers have seen this and realised that it isn't going to get any better. A strong pound, low prices and cheap financing is a powerful trinity that trumps any political uncertainty brought about by the referendum on June 23.

"The continued British love affair with

France is highlighted by our sales in the first quarter of this year where they account for 82% of all our buyers. This is a slight increase on our normal figure and proves that whilst talk of a Brexit might be dominating our TV screens it's not actually influencing our buying patterns.

"In terms of where people are buying the answer is all over France, but the three most popular regions this year have been Poitou Charentes, Aquitaine and Limousin - our buyers remain families and professionals, typically heading towards retirement age and looking for a second home that they may even move to permanently.

"In summary, the Great British love affair with France is more amorous than ever!"



Hitting the right spot

You'll already have an idea of where you want your holiday home to be. You might be seeking the sun, the sea, the mountains, the city or the deep countryside. But don't let your heart entirely rule your head. If you expect to be visiting for long weekends, you definitely need to be near to an airport or a TGV station. If, on the other hand, you yearn for utter seclusion well off the beaten track then you probably need to be able to take long holidays, so you can pack the car up to the roof and drive into the unknown.

Another factor is whether you are looking to add value or hoping for capital growth. If so, you will either need to do some work to the property or buy somewhere where prices will rise, such as Paris, the Alps or the Riviera.

Paris

The French capital has long been identified as one of the most attractive European cities for investment, and is typically the most popular place for international purchasers to acquire a home in France. The prices of properties in prime parts of Paris have become disconnected from the rest of France, especially in and around the sought-after 6th, 7th, 8th and 16th arrondissements (districts in Paris).

Côte d'Azur

The Côte d'Azur, often referred to as the French Riviera, ranks among the most stable second-home markets in Europe, with the upper market segment in particular characterised by a level of demand that remains consistently high. Nice, Marseille, St. Tropez and Cannes have long been the most fashionable places to buy a holiday home in France, but prices are not cheap.

Languedoc-Roussillon

The Languedoc-Roussillon area is a cheaper option to ultra-pricey Provence or the Côte d'Azur. From the foothills of the Pyrenees, to the coastal towns of Perpignan and Montpellier, there are endless charming landscapes for you to fall in love with. The region boasts the hottest temperatures in France after Corsica ('la Corse' in French), although it also suffers the highest winds.

The Dordogne

The Dordogne, where property prices start from under €100,000, has long been popular with Brits, thanks largely to its natural beauty, fascinating towns and villages, culinary heritage,

not to mention vast selection of attractions and things to see and do. The rest of the Aquitaine region is growing in popularity too, due to the ripple effect as people visit and explore further.

Brittany and Normandy

Brittany and Normandy, locally called Bretagne and Normandie, are France's equivalent to Cornwall. They may not have the hottest summers, but the climate is better than the UK and the wild coast is dotted with rocky coves, fishing villages and seafront restaurants. Inland there are plenty of weekly markets, chateaux and green countryside. Houses here start from about €85,000.

French Alps

Homes here are primarily popular with avid skiers, unsurprisingly, but don't forget there's superb hiking and cycling in 'Les Alpes' when the snow disappears, so there's fodder for the rental market at other times of year too. The major resorts are expensive, but there are plenty of undeveloped areas where prices are lower and the mountains just as appealing.

Nord-Pas-de-Calais

This is the area we drive through when we get off the ferry. From the motorway, the scenery is flat with industrial landscapes and vast fields. But venture off the main roads and you will discover enchanting countryside, sleepy villages and superb sandy beaches. This is the Opal Coast, named by an early 20th century artist who was trying to capture the essence of its distinctive hazy light. It's an area packed with history, too. Best of all, though, once you get off the ferry, you are nearly there.

Alsace-Lorraine

Alsace-Lorraine borders Germany and is separated from it only by the Rhine. The Teutonic influences are clear in the architecture and the food. Strasbourg has lovely half-timbered houses, waterways and all the cosmopolitan sophistication that you would expect from what is essentially the capital of Europe. The wine route follows the mighty river and the undulating countryside is dotted with meadows and forests.

Central France

This area includes the Loire Valley, which has long been a magnet for Brits. The lovely countryside, the chateaux and the vineyards keep tourists flooding in. The historic city of Tours has a spectacular cathedral, charming squares and leafy parks. The region is known for its magnificent gardens, such as Villandry with its famous plant mosaics. You can still buy a tiny bolthole in need of renovation for under €20,000 here.

Atlantic Coast

The western seaboard, the 'Côte Atlantique', is the nation's best kept secret. Foreign tourists head for Paris and the Med, but the discerning natives know that the west is where it's at. From the rocky coves of Brittany to the northern shores of Spain, there's something for everybody. Long, empty, sandy beaches fringed by sweet-scented pines, wild marshland and idyllic islands are dotted with sleepy seaside villages and charming little market towns. The freshest seafood straight from the ocean can be enjoyed with Bordeaux wines from the most famous vineyards.

“

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Trevor Leggett
Leggett Immobilier



Rental returns

Rental yields in France vary dramatically, from low single- to double-digit annual returns, depending on where the property is located.

Central Paris offers among the lowest yields, at around 3.5%, while higher returns can be achieved in many of the country's strong tourist hubs, such as Cannes – a rendez-vous for the rich and beautiful, which is renowned

for hosting world-class industry festivals, including the glamorous Film Festival.

Sale-and-leaseback

The sale-and-leaseback system is generally attractive to anyone seeking a low-risk, hands-off, long-term investment, with gross annual rental returns of 3-6% achievable. The main benefit of purchasing a home that

is offered with this scheme is that no VAT is charged on the property, which equates to a saving of 19.6% on the purchase price.

It presents investors with the opportunity to purchase property in popular tourist areas such as golf, ski or coastal resorts – most commonly a new-build apartment – and then lease it back to a management company for a typical initial term of nine to 11 years.

During the leaseback period, a reputable management company should be responsible for letting the property, furnishing, maintenance, and paying all bills.

British-based investors that never intend to personally use their property, but rather hold on to it purely for investment purposes, could potentially place the property into a UK Self-Invested Personal Pension (SIPP) tax scheme.

Buying process

When an offer is accepted on a home in France, the notary or estate agent will draw up the initial sales contract. Once this is signed, all the necessary property checks will be made by the solicitor (see 'Legal Matters'), before final completion when purchase funds must be in place, while legal and agency fees must be paid.

Buying off-plan property

There are many points to consider when purchasing a property in the process of construction, as this inevitably involves higher risk than buying re-sale property.

There are three main stages to the off-plan buying process:

- Firstly, there's the reservation contract, secured by a deposit of up to 5% of the purchase price.
- Staged payments are then made in line with the contract schedule in accordance with the progress of work. These are secured against certificates from the developer's architects that guarantee the appropriate stage has indeed been completed. Buyers should regularly visit the development during this period to ensure that all is proceeding according to plan.
- Finally, completion. The purchaser can take possession once build is completed and all payments have been made.

Buying costs

When buying your property in France, there are various buying costs you need to take into account and budget for in addition to the purchase price.

- Estate agent fees, around 5%, are usually included in the sale price.
- Stamp duty of up to 6%
- Notaire's fee is about 1-2% of the property's value and this fee is usually rolled in with the stamp duty. The notaire is a government official. Although they may be able to advise you, they are not acting on your behalf.
- A mortgage arrangement fee plus mortgage registration tax of up to 2.5%
- Solicitor's fees vary widely. You may prefer to use a UK solicitor with experience of French property transactions. If you prefer to use a French one, consider employing a translator, too.

Buying off-plan property inevitably involves higher risk than buying re-sale property.





Section 2

Legal matters

The process of purchasing property in France is fairly straightforward and the registration system is secure. However, as this is probably one of the largest and most significant purchases you will make, you should not proceed without appointing your own solicitor, whose responsibilities include advising and representing you through the whole transaction process. If you prefer to use a UK-based one, choose one that has experience in buying property in France.

The solicitor

Lawyers' charges vary widely, but usually cost in the region of €800 to €2,000 for a property purchase. When selecting a solicitor, it is important that they are competent at their job, able to communicate well in English and French but ultimately they need to be a specialist in French property law. Consider employing a translator if necessary.

Making an offer

When making an offer on a property, the estate agent or seller will request that a formal written offer, called an 'offre d'achat', is made. A contractual commitment

effectively comes about from the moment the vendor accepts your offer for the property, subject to any conditions that may be made as part of the offer, as there is no such thing as a sale 'subject to contract' in France, as is the case in the UK. Do not, under any circumstances, hand over any kind of deposit to the owner or the estate agent at this stage.

Sale and purchase contract

Next, a sale and purchase contract needs to be prepared. There are two main different forms of contract that can be used, the 'Promesse de Vente' and the 'Compromis de Vente', which are both very similar.

The major difference between them is the process itself:

Promesse de Vente

The promesse, which is effectively an option to buy the property granted to the buyer by the owner, can only take place through a notaire, a state official.

Compromis de Vente

A compromis de vente, which is effectively a sale and purchase agreement, as there is a clear bilateral obligation, can be done directly between the parties, via an estate agent, or through a notaire. It is generally recommended that you use the latter.

A deposit of up to 10% of the purchase price is made on signing of the agreement, but the buyer is entitled to a seven-day cooling off period without penalty, following the signing of the contract, which is conditional.

For example, if the purchaser intends to acquire the property using a mortgage, it is important that there is a 'condition' that makes completion subject to a satisfactory mortgage being secured. But the contract will state a date by which a condition precedent must be met. If not realised by this date, then the seller can withdraw from the contract.

Building surveys

Unlike in the UK, it is uncommon to get a building survey done prior to purchase

of a property in France. Consequently, most sellers and notaires will not permit a 'subject to survey' clause in the preliminary contract. It is therefore best to get a survey undertaken before signing the sale and purchase agreement. You could potentially use a local French building professional, engineer or architect to carry out the job.

Local searches

To validate an agreement between purchases and vendor, it must be certified in a deed of sale, called an 'Acte de Vente', prepared and signed by the notaire. However, it can often take several months before you get to sign the deed of sale – due to the lengthy process – which officially makes you the new owner.

Title searches

The notaire will verify that the title to the property is in the seller's name and that there are no other persons with an interest in the property. French law states that the seller is liable to pay the buyer up to twice the sale price if genuine third-party interests in the property are later discovered.

Planning

The notaire will undertake a local planning search (called 'urbanisme') to see if there are any major developments planned. In the case of the purchase of building land or a ruin the notaire will obtain a copy of the planning

certificate, called a 'certificat d'urbanisme', from the local planning authority.

A new plot of land for construction, being sold for the first time, requires a development permit, either a 'déclaration préalable' or a 'permis d'aménager'.

Homeownership

Even though you may be married or living together it is, of course, a matter of choice as to whether you buy the property in a sole name or in joint names. Ownership 'en indivision' is typically the most common method of joint ownership and in English law is equivalent to a 'tenancy in common'.

Inheritance rights

If you are not planning to become a French resident, it is worth considering buying property through a French civil property-holding company called SCI ('Société Civile Immobilière') if several unrelated people are buying a property in France, as it grants you immunity from the forced inheritance rights under French law.

Completion

The sale contract will usually feature a clause stipulating a date by which completion should take place, when the deed of sale will be signed. But if the property's condition has deteriorated at the time the sale contract is to be signed, the purchaser is entitled to

demand that the property be brought back into its original condition of when the original offer was made.

Deed of sale ('acte authentique')

When all the enquiries have been completed and funds are in place, then you will be invited to the notaire's office to sign the deed of sale, the 'acte authentique'. Only notaires are authorised to prepare such a deed, which guarantees legal transfer of the property.

Power of attorney

If you are unable to travel to France for completion, you can give a trusted relative or friend already living in France the Power of Attorney to sign on your behalf. There is no legal requirement for the buyer and seller to be present in front of the notaire to complete the formalities.

Proof of purchase

When you have signed the deed of sale, you should ask the notaire for a certificate of purchase ('attestation'), which you can use to gain access to public services for the property. The certificate can be used to set up public utility services, such as gas, water, electricity and phone.

Upon completion, you should also receive a receipt for the money paid to the notaire for purchase of the property, as well as a copy of the deed of sale.

Taxation

Don't forget that there are a number of taxes to pay on property in France. To be considered a French resident for tax purposes, you must spend at least 183 days in France, or have your main residence in the country, otherwise you will be considered a non-resident.

But either way, you will be taxed in France on income arising from French sources. You will also be liable for a number of other property related taxes. However, the levies may not be as high as you fear.

Tax ID

Whether you are a French resident or not, you will need to obtain a Tax ID number from the local tax office in order to file your French tax return.

Property tax

Any legal entity, regardless of residence, with 50% or more of total French assets composed of French real estate, is liable to an annual tax of 3% on the fair market value of the property.

Property transfer tax

All transactions concerning real estate whose construction was completed more than five years prior to the transaction are subject to tax at the standard rate of 5.8% on the higher of the purchase price or fair market value of the property. A few departments retain the lower rate of 5.09%.

Registry fees & VAT

Registration taxes at 4.89% are payable on purchase of a property. A new-build/off-plan property is subject to VAT at 19.6%. However, in a sale & leaseback arrangement, it may be possible to claim back the VAT.

Capital gains

Capital gains tax is levied at a rate of 19% for EU residents and it tapers to zero over 22 years.

Income tax

Income tax is levied on income arising in France. For non-resident individuals, income tax is payable at progressive rates, but usually starts from 25% on income after allowable deductions, for expenses incurred in connection with letting or maintaining the property.

Furnished and unfurnished properties are treated differently for tax purposes. Income from unfurnished property is treated as non-commercial income, while income from furnished property is treated as commercial income.

Whether it is a furnished or unfurnished accommodation, rental income must be reported as income from property or as business profits. The taxable amount is income less allowable expenses, including mortgage interest, insurance and estate agent fees, for example.

For non-commercial property, individuals who receive rental income of €15,000 or less may benefit from a simplified scheme

called 'Micro-Fonciers', whereby the tax administration deducts an allowance of 30%. So you are taxed on just 70% of revenues.

For commercial property, the regime may apply if your annual income does not exceed €32,600.

Wealth tax

Property owners may be liable to pay wealth tax on gross asset values in excess of €720,000, including property in France. Tax rates vary from 0.55% to 1.8% depending on the type of property. A deduction against this value is allowed for any outstanding debt (capital) on the property.

Double taxation treaty

It is worth noting that Britain has a double taxation agreement with France to ensure people do not pay tax on the same income in both countries.

In accordance with French and international law, all residents in France (nationals and non-nationals alike) are required to declare assets or groups of assets held outside France. Assets may include bank accounts, securities, rights, insurance, annuities and property. The declaration is a separate exercise to the annual tax return.

Local taxes

There are three local taxes payable:

'**Taxe foncière**' [ownership tax] is an annual property ownership tax imposed on the owner, whether or not the property is actually occupied by them, or rented out.

The amount owed each year varies on the nature and location of the property. If you sell the property part-way through the year, the tax will be apportioned by the notary dealing with the sale. It includes a tax on buildings (excluding barns and uninhabitable buildings) and a tax on land. New-build homes used as your home are exempt from *taxe foncière* for the first two years.

Bérangère Chabenat of The Spectrum IFA Group, independent financial advisers, comments: "In France, once you are an owner you pay the *taxe foncières*. It is difficult to estimate it as it depends on the location, the condition of the property, and so forth. However, when prospecting for a property, the real estate agent will have all those details to show, along with the utility bills of the property, among other expenses."

'**Taxe d'habitation**' is paid by the occupants of residential property on 1 January and is not apportioned if the property is sold later in the year. This tax is assessed on the notional rental value of the property and is set by the local land registry ('*cadastre*') and can vary per region.

"If you live in France, there is a *taxe d'habitation*," Chabenat says. "Similar to the *taxe foncière*, it takes into account the size, location of the property, number of persons occupying the property, TV tax, and so forth. If the property is unoccupied by the owners, or rented however, only the *taxe foncière* will need to be paid."

'**Ordures ménagères**' is an annual local tax charged separately for refuse collection.

Mortgages

Unless you already have the savings or are planning to release equity from your home in the UK to purchase your property in France, there is a good chance that you will need to secure a mortgage.

If you are serious about purchasing property in France and require finance, you should start arranging your French mortgage almost before you do anything else to enable you to proceed with confidence in the knowledge that you have in place the finance necessary to buy a new home.

Forward planning at the start will also give you a better idea of how much you can spend on your French property and can work out the likely future financial implications of your purchase.

Leaving the financial side of your French property purchase until the end will potentially leave you in a weaker position, especially if you have to raise finance in a rush, which may mean that you end up being unable to secure the best possible mortgage at the most attractive borrowing rate.

Miranda John, international manager of SPF Private Clients, remarks: "In an improving market sometimes vendors are not keen to accept an offer from someone looking for finance so it is sensible to have a full decision in place before you look at property."

Sensible lending conditions

The risks associated with buying property in France have traditionally always been rather low, in stark contrast to the existing high-risk nature of buying property in some other European countries, thanks to the country's relatively strong economy, supported by France's prudent attitude to mortgage lending.

French banks will normally only lend up to 85% of the property's value to a resident of another EU country. They look for your monthly income to be three times your mortgage repayments.

"For clients without stable proven income obtaining finance can be challenging," says Miranda John. "Banks would ideally like a salaried employee who possesses an employment history with the same employer for at least three years."

She adds: "For non-resident buyers it is quite restricted as many retail banks only lend to French residents. Although there are fewer lenders they are quite competitive and interest rates are some of the lowest in Europe."

Deposit

For a French mortgage, you will generally need a minimum deposit of at least 15% to 25% of the property's purchase price, with rates that are fixed or variable.

"The max for a repayment loan is 85%, but there is only one lender who will go this high," John comments. "Generally 80% is the highest available. For an interest-only mortgage, 70% to 75% is the maximum."

Repayment or interest-only?

Although French lenders do typically offer repayment and interest-only mortgages, most banks will currently only lend home loans on a repayment basis, which means that the debt must be paid off each month over the duration of the mortgage.

"Interest only is the exception here rather than the rule – it requires more onerous underwriting and the client needs strong assets to qualify," Miranda John adds.

Fixed- or variable-rate?

A fixed-rate mortgage generally offers greater security and guaranteed repayments, but comes at a higher cost compared to variable-rate mortgages.

Variable rates are normally based on the Euribor three-month rate or the Euribor one-year rates, with a margin of 1-3% to the lender, depending on the nature of loan and the characteristics of the borrower. But it is worth noting that in France, most mortgages are granted on a fixed-interest basis.

Whether you opt for a variable-rate or fixed-rate mortgage you will normally have to pay an early repayment charge if you want to pay off your mortgage sooner or remortgage to a new deal. But redemption penalties are low in France – typically less than 1%.

Insurance

Building insurance is compulsory for all people looking to secure a French mortgage and the notaire is required to have confirmation of this before you complete on a

property. Some banks may suggest their own insurance product, but they cannot insist you take their cover.

Life insurance usually depends on the loan-to-value of the mortgage and the lender. For instance, if you are borrowing lower than 50% loan-to-value you may not need it – a lender will be likely to ask you to sign a declaration. Otherwise it is usually a requirement.

Warning

Your property in France will be at risk if you do not keep up repayments on a mortgage secured on it. Be sure you understand the repayments and can afford them before entering into any credit agreement.

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Miranda John
SPF Private Clients

Section 5

Retirement in France

With its laid-back lifestyle, world-class healthcare system and appealing climate, France remains high on the list of ideal retirement destinations.

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Retiring to France can be a dream come true for many people

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Daphne Foulkes
The Spectrum IFA Group

Living expenses

With food and other everyday expenses, the costs depend very much on where you shop. Small and traditional businesses are usually at the higher end of the pricing scale while large grocery chains might offer significantly cheaper prices. Processed foods can be particularly expensive, while wine and cheese, on the other hand, are comparatively cheap. A good-quality bottle of good wine can cost under €5.

Financing your retirement

There are a number of key areas relating to retirement finances that you should consider when you are moving to France, such as finding out what impact a move might have on the benefits and pensions that you are entitled to receive in Britain.

When thinking of retiring abroad, it is essential that you seek independent advice when it comes to your private pension and UK state pension. This would ideally happen before arrival in France.

Foulkes comments: “Some planning and realisation of UK investments is likely to be needed before you become a French resident, if you wish to avoid paying unnecessary taxes later.”

It is important to inform the UK Department for Work and Pensions that you are moving overseas and provide them with your contact details.

Sterling-euro exchange

Because France's currency is the euro, it is important to take the sterling-euro exchange rate into consideration, and what impact any major rise or fall between the two currencies may have on your lifestyle in France (see [section 7: Currency exchange to and from France](#) for more details on getting the best value out of currency exchange).

Pension payments

As well as a private pension, you may also be entitled to receive a UK state pension while living in France, but you should enquire with the International Pension Centre (IPC) first, to make sure that you are entitled to receive this money. You can contact the IPC by phone, email or post.

Those of you who have not yet reached your state pension age should receive a claim form around four months before you hit the milestone. If you are still waiting for a letter three months before you reach state pension age, contact the IPC.

Are you eligible to receive a state pension?

The Department for Work and Pensions may send you a form called a ‘life certificate’ to help them determine if you are still entitled to receive a state pension. If you do receive a life certificate, you will need to follow the guidelines provided, which includes getting it signed by a witness. Your payments may be halted if you fail to comply.

Annual rises in state pension

Your state pension will increase each year, even if you reside in France, as the country is located within the European Economic Area (EEA).

Payment of your pension

Your state pension can be paid into a French bank account or a UK bank or building society account. However, you are not permitted to have the money paid in to France for part of the year, and a different country for the rest of the year.

Whether using a bank account in your name, a joint account, or someone else's account, subject to their permission, there are a number of ways that you can receive payment.

You are entitled to be paid every 4 or 13 weeks, but IBAN and BIC numbers (both of these are international bank codes) will be needed if you would like to receive payments in France, with the amount of money you receive set to fluctuate in accordance with exchange rate changes.

Taxing your state pension

There is a chance that you may be liable to pay UK tax on your state pension over a certain amount. This will vary depending on your taxable income and whether you are considered to be a UK resident or non-UK resident for tax purposes.

Non-UK residents

While non-UK residents are not required to pay tax on their state pension in the UK, they may have to pay tax in France. However, you will not have to pay tax in both the UK and France due to the double taxation agreement that exists between the two countries.

Healthcare

People who are seriously considering retirement in France will be pleased to learn that the French healthcare system is generally recognised as one of the best in the world. Above all, it is a system that works, provides universal cover, and is strongly defended by virtually everyone in France.

The healthcare system in France is made up of a fully-integrated network of public hospitals, private hospitals, doctors and other medical service providers. It is a universal service providing healthcare for every citizen, irrespective of wealth, age or social status.

Non-residents can use their European Health Insurance Card (EHIC) to access state-provided healthcare at a reduced cost, or sometimes even free. This cover includes

treatment that is needed to allow you to continue your stay in France until your planned return. It also covers treatment of pre-existing ailments and for routine maternity care.

Help in emergencies

You also need to be aware of emergency procedures; who to call in an emergency and which hospitals will be the most suitable for your needs in the event of an emergency. France's emergency number is the EU-wide emergency number 112 which is free to call, although in some places it is better to phone the hospital direct.

Note: In France, a doctor has to confirm that you are really in need of an ambulance service otherwise you'll have to carry the cost of the ambulance transport. Alternatively, you could use a light medical vehicle (‘véhicule sanitaire léger’ – ‘VSL’) to get to hospital.

Other important phone numbers to note down:

15 – ‘SAMU’ (‘Service d'Aide Médicale d'Urgence’) the SAMU provides both ambulances and specialist medical teams. Only call SAMU for serious medical emergencies

18 – Fire brigade (‘Sapeurs Pompiers’) can also be called in cases of medical emergencies, such as traffic and domestic accidents

17 – Police (‘commissariat de police’ or ‘gendarmerie’)

1616 VHF Channel 16 for emergency at sea (calling from sea)

32 37 (phone) or website www.3237.fr – the service helps you find the nearest duty pharmacy. Not all pharmacies in France are covered by the service yet.

Section 6



Banking in France

When transferring funds to or from France, you will require a French bank account. This will also allow you to set up Direct Debits to pay for your mortgage each month, as well as utility bills and other expenses.

France's state-of-the-art banking system is every bit as good as other leading European countries, including the UK. Therefore, whichever bank you select, you can count on finding a large network of branches and ATMs, often called 'Distributeur de billets', that you can use across France, not to mention online services enabling you to operate around the clock. Some tariffs and charges may apply, so shop around.

BNP Paribas, Crédit Agricole, Société Générale, BPCE and Crédit Mutuel are among the largest financial institutions in France and all provide a wide selection of services, including mortgages.

Selecting the right bank for you

Should you choose the first bank you see in France? Of course you shouldn't. There are many considerations to bear in mind.

- What is the size of the bank's network nationwide? Some French banks may charge a commission for using ATMs that are not a part of their own network, so check to see if the bank offers a good distribution of branches and cash points
- How is your French? Unless you are comfortable speaking in French, you may wish to choose a bank with English-speaking staff. This will make banking in France a whole lot easier
- Do not simply select branch nearest to your home in France as it may not offer the sort of service that you are looking for
- Online and telephone banking. Almost all banks in France now provide these services and some even offer them in English
- Avoid being lost in translation. Documents and statements may be available in English and so check with the bank to see if it is possible to get translated paperwork – again, handy if you are not fluent in French
- Consider what sort of dealings you will be undertaking and check to see if the bank you are considering signing up to will charge for these services or if they are free. For instance, some banks charge a fee for banker's cheques and transfers, while others may charge commission

Resident and non-resident accounts

An individual must meet at least one of the following criteria in order to be considered a resident:

- You live in France at least 183 days per year
- You carry on a professional activity in France, either self-employed or as an employee
- Your centre of economic interests is in France, e.g. investments, business

You are entitled to open a bank account in France whether you are a resident or non-resident, even if you do not own a property in the country.

However, while residents have an automatic right to a bank account, non-residents do not. But those who do qualify are entitled to open a 'compte non-résident', which are governed by strict rules, such as the need to maintain a minimum deposit, and limits on the amount you may be able to transfer each month.

Opening a bank account

There several different types of bank account available, but the main ones you'll be considering are:

- Current account, otherwise known as a 'compte courant', but may also be referred to as a 'compte à vue' or 'compte de dépôt'. This is designed for everyday banking activities. As in the UK, little or no interest is

paid on accounts in credit

- Savings account, which will have a limited number of banking services and may not allow instant access to funds, though balances attract slightly higher interest rates
- Deposit account, otherwise referred to as a 'compte sur livret', or 'Livret B', or 'compte à terme' if the account is not instant access. It may offer slightly higher interest rates on day-to-day banking services

In order to open an account in France you should make a visit to the local branch office of the bank of your choice and complete an application form, called a 'mandat'.

The following documentation is required:

- You will need to provide your passport and proof of your address, such as your electricity or telephone bill. You may also be asked to produce your latest French income tax return
- If you are non-resident, you may also need to produce your last two bank statements and a banker's reference
- If you have recently purchased property in France and do not yet possess a utility bill for your French property, you should obtain from the notaire a certificate of purchase ('attestation'), confirming your ownership of the property
- When you open an account you will need to sign a contract called a 'convention de compte', which sets out the rules governing

the operation of the account and the products and services

Presenting all these documents at once should ensure that the account is opened almost straightaway. A cheque book and ATM/debit card should follow within a few days, though most banks instantly provide a bank book to allow withdrawals even before the ATM/debit card arrives.

Most banks will not send cheque books and ATM/debit cards to overseas addresses. So if you do not yet have an address in France to send them to, they can either be collected from the branch or sent to a trusted friend or relative with a French address.

Section 7

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Capitalising
on favourable
exchange rates could
genuinely save you
thousands
”

Alistair Cotton
Currencies Direct

Currency exchange to and from France

From changing currency markets to low exchange rates and avoidable fees from your bank, you could lose thousands of pounds when transferring money to France if you do not tread carefully. It's best to use a foreign exchange specialist, occasionally referred to as an 'FX provider'.

While FX providers do offer a better exchange rate, they do not command hidden fees and charges. In fact, you could save a lot of money by selecting one rather than a high street bank.

If you are looking to purchase a property in France for €250,000, for example, and transfer the funds with your bank, it would cost you up to £198,427 (that's at the average bank's exchange rate of €1.274=£1*, plus a £25 transfer fee).

But the same transaction with foreign exchange specialist Currencies Direct, for example, would have cost you £195,771 (by eliminating transfer fees from the picture and using a better exchange rate of €1.277=£1*).

(*Rates correct on April 5, 2016)

Top advice

- A high-street bank will offer an inferior exchange rate than a foreign exchange specialist. Furthermore, an FX provider will not charge transfer fees and can offer a wide range of services designed to meet your precise needs
- Most people will find that they still have to

transfer money between the UK and France even after they have acquired their French home. A currency provider can set up a Direct Debit for ongoing costs and save you a good deal of money over the years

- Subscribe to market newsletters and email notifications in order to stay on top of what is happening in the market

Selling a property in France

When it comes to selling a home in France, you may find that you need to transfer a large sum of capital back to the UK. Again, it is crucial that you secure the highest exchange rate possible.

A forward contract may be the best option in this case. If the rate available today looks attractive but you do not need to transfer your money until a later date – for instance, five months – a forward contract could be suitable. It is the currency sector's equivalent of 'buy now, pay later'. But a small deposit would be needed in order to fix today's exchange rate for up to 12 months.

Money transfer specialist, Alistair Cotton, of Currencies Direct, said: "The currency markets are constantly changing, so when moving a big sum of money, capitalising on favourable exchange rates could genuinely save you thousands of pounds."

Funding your new life in France

Whether acquiring a holiday home in France or looking to live permanently in the country,

you may have to make frequent money transfers from the UK in order to support your lifestyle as well as pay the bills, including your mortgage. In this instance, look for a frequent transfer service – a Direct Debit driven service that is suitable for all sorts of weekly, monthly or quarterly payments. What's more, unlike the banks, most FX providers do not charge transfer fees.

Tailored service for you

FX providers will offer a service tailored to assist you. Learn to discern which products will make your money go further, work best for you and make your life as simple as possible.

Spot contracts

Purchase currency today, for instant requirements. Use for:

- Paying bills in France
- Transferring money rapidly across your UK and French accounts
- Sending money to a colleague or relative

Forward contracts

Agree a rate for up to 12 months, by shelling out a small deposit today. Use for:

- Buying or selling a home abroad
- Large overseas acquisitions
- Moving all your money

Frequent transfers

Set up a Direct Debit and even fix the exchange rate for up to 12 months. Use for:

- Paying your bills
- Transferring pension payments abroad
- Moving money regularly to support day-to-day living

Limit orders

You can fix your target exchange rate by setting an automated currency purchase. Use for:

- Greatest advantage when exchange rates move in your favour
- Transfers that are not time sensitive

Main benefits of using an FX provider

People should do their due diligence to prepare themselves for any major changes with foreign exchange markets. This will help you create a plan for managing your own currencies, while reducing the risk of currency fluctuations. But it is important to appoint a currency specialist to help secure the greatest deal available.

- Improved exchange rates. Exchange rates can differ a lot, with some of the greatest deals available through specialist FX providers, rather than the banks, which generally offer a much lower rate in comparison
- Avoid hidden charges. Foreign exchange providers typically do not charge transfer fees every time you transfer money

overseas, as opposed to banks which generally charge an average fee of £25 per transaction for sending and receiving money

- Help is available. A currency specialist will be available to assist you. Whether it's a single transfer or frequent payments, they will guide you along the way
- Trade at a time that fits in with your lifestyle. Nearly all FX providers provide their clients with a 24/7 online money transfer service that allows them trade anywhere and at any time
- Rapid transfers. While it can often take a bank up to five working days to transfer money abroad, a transaction can often be completed within 24 to 48 hours with most FX providers
- Protect your money. When selecting a foreign exchange provider, make sure that they are certified by the Financial Conduct Authority (FCA)

Keep an eye on the markets

FX experts dedicate themselves to staying abreast of the currency markets, but not everyone else has the time. If you are busy with other things, such as work or family life, then there are a range of tools that you might find helpful.

Rate alert

Creating a rate alert is good way of informing your FX provider which exchange rate you are interested in and what you think is a good trade. They then allocate one of their expert

members to analyse the markets on your behalf, with a view to notifying you when the rate becomes obtainable.

You will find that the banks just do not have the time or resources to offer this facility. Crucially, when your desired rate arises, you are under no obligation to actually make a transfer. It is just a very smart way of keeping in touch with what is happening in the currency market so you are aware of when the best time is to start trading, if required.

Email messages

Keep informed with rate exchanges and market updates. The majority of FX providers offer their clients a wide selection of newsletter options to subscribe to, including daily market analysis, weekly market reports, rate alerts and many other features.

Social media websites

From Twitter and YouTube to Facebook and Pinterest, almost all social media websites are now embraced by foreign exchange firms providing you with an easy way to obtain their currency views, updates and expert advice free of charge.

Currencies Direct is the UK's leading foreign exchange specialists and has helped more than 150,000 people with overseas money transfers.

Visit www.currenciesdirect.com for more information.

Top Ten Tips

1. Do your homework. Research the area you want to move to. Visit it and stay a while. Do you have friends there?
2. Know your region. Alpine chalets are very different from Dordogne gites. Prices and lifestyle are things you need to consider.
3. Make a list. Know what you are looking for and that your other half agrees. This will make the house search that much easier.
4. Prepare to compromise. That idyll you've been dreaming about may not exist, or you may not be able to afford it.
5. Have an idea what you can afford. It's no good viewing chateaux if you can only afford a small cottage.
6. Consider schools and other local amenities. If you have children, they will need to go to school locally. If you don't have children to consider, remember that potential buyers might, when you come to sell up. Equally, if you are miles from a bakery, that may make the place harder to sell.
7. Hire a building inspector. Construction techniques may be different from those you are familiar with and you could miss vital clues to structural problems that will prove costly. Get an expert to look at the building.
8. Know when to stop. Most people do know when they find the right house. But if you've seen hundreds and still haven't bought anything, stop and question whether you are committed enough to make the move.
9. Relax. If it all gets too much, step back from the house search and take a break.
10. Don't commit until you are sure. If there's anything that's making you uneasy about the property, sort it out before you progress.



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