



THE ACQUISITION PROCESS IN FRANCE

The legal aspect

The acquisition process in France is structured in a different way than in the United Kingdom. Once the buyer chooses and negotiates the price of a property, he will usually write a “*promesse d’achat*” to the seller. It’s a non mandatory document; however the written offer fixes the acquisition price and conditions.

Once the parties agreed, they sign the “*compromis de vente*”. This document is the most important paper of the acquisition process. It’s a contract stating the sale term of agreement. This document binds both parties to settle the transaction. The buyer has 7 working days to cancel the transaction by sending a registered mail with confirmation of receipt to the seller. On the other side, the seller cannot withdraw from the contract without penalties. The full transaction process in France usually takes 45 days but can takes up to 3 months, with regards to the financing method. For mortgage financed acquisition, the buyer usually benefit from a breaking close called “*clause suspensive*” in case he couldn’t secure a mortgage. Any other agreed conditions can be included in the contract as a “clause suspensive”. If the conditions are not fulfilled, the buyer has the right to withdraw from the transaction without paying any penalties.

The completion occurs when the “*acte de vente*” is signed by all parties. This official transfer of ownership takes place in an “office notarial”, by a government specialized lawyer named “notaire”. He is the one who guarantee that the transaction complies with all the government laws.



The payment and transaction cost

There are two major payments:

- 1- When the parties sign the “*compromise de vente*”, 10% of the property agreed price is usually paid as a deposit.
- 2- When the “*acte de vente*” is signed: the buyer should pay the remaining property value to the seller.

Other transaction costs:

In addition to the property price, in France, the Buyer pays the transfer tax and registration fees, which represent around 10% of the property value.