

Today, we have our regular spot with Michael Taylor from the French estate agency Properties in France. Hello Michael. What do you have for us today?

Hi everyone. Today, I want to touch on a few points that have been raised by our listeners and some of our clients during their recent visits to France. I am going to look at currency transactions linked to purchasing a house and also registering a car here in France.

Okay, sounds good. So, first of all can we deal with registering a British car in France. How easy or how hard is it?

Well first of all, I think you need to ask yourself why you would want to re-register a right hand drive car in a left hand drive country.

I suppose if you could fall into one of the categories like:

- I am in love with my classic car
- I don't have the budget to change the car just now
- I like the thrill of putting my passenger at risk every time they get out of the car into on coming traffic

Or

- Darling, I couldn't possibly drive a left hand drive car

Okay, Okay, funny guy, we get the picture, so apart from the obvious, what are the benefits?

Well – there is no road fund tax, the MOT lasts for two years and, it is a lot easier to overtake that British tourist in front of you and, of course, you avoid all the body contortions every time you reach a motorway toll booth.

Do you get many clients who want to keep their British cars?

Not that many but for those that do, the process is simple but a little costly.

You start by taking your car to an MOT testing station here in France. The MOT is known as a **Controle Technique**. This should cost you about 53 euros. Now, even if the car is in perfect condition, it will fail on the headlights because they are facing to

the left for British roads and, of course, should be facing to the right for French roads.

However, you will be given a pass certificate with a 30 days limit to have the work carried out to re-align the lights. If your car were to fail for some of other reason, providing it is not major, then you will also be given a pass certificate with a 30-day limit to carry out the repair work.

Now, here is the kicker. To put your headlights right, it requires a conversion kit, which can cost up to 400 euros, which in anybody's books is a hefty price.

So, let us assume, you have gone ahead and corrected the lights. You will now make your way to the Sous Préfecture office. You will need to take with you the following documents:

- Car Tax disk – known as a vignette
- Driver License – known as a Permis de Conduire
- Vehicle registration document – known as a Carte Grise
- Manufacturer's type certificate for the vehicle – known as certificat de conformité (you will need to ask for one of these from the manufacturer of the car and this could cost you up to £70)

You also need to take

- Your new MOT certificate, the French Controle Technique
- Proof of insurance
- And your license plates, known as plaques d'immatriculation

The Sous Préfecture will prepare a Carte Grise, your new French registration document, which you will have to pay for. This is calculated on the engine rating of the car with reductions depending on the age of the car and the fuel type.

Once you have your new Carte Grise, you then need to take the car to one of the many garages who make car registration plates. You must show them your new French paperwork and they will make the license plates. These will cost about 35 euros.

So, to re-register your car, the total cost is about 600 euros.

Now remember, it is unlikely that your English insurance company will continue your policy in France. There is normally a grace period of 3 months, but once you have re-registered it, you will need to re-insure it.

You should have no problems in getting car insurance and should be able to continue your benefits of a reduced premium so long as you can demonstrate that you have a good record with no claims. Your UK insurance company should be able to provide documentation supporting your driving history.

While we are talking about insurance. Here is an important thing to remember. In France, it is mandatory that both your insurance (which is a small tear-off strip given to you by your new insurance company) and the controle technique certificate are on constant display in your windscreen. It is also important to carry all documentation with you when you are driving, because if you are stopped and do not have them, the police will issue you with a fine. The documentation you should have with you in the car is the rest of your insurance certificate (this is a green policy document), your Carte Grise, which is the grey registration document, your drivers license, and to dispel the myth, you no longer need to have a French license if you are permanently resident in France, although it is advisable, as it provides photo ID linked to your French address. And that is about it!

So, that is pretty clear. You said that you had something else to share about currency transactions.

Yes, it has to do with British clients buying in France. Obviously, we are dealing with a different currency base. All properties in France are purchased in euros. Most of our clients do the reverse calculation to work out how much it is going to cost them in sterling.

This is very understandable, but of course, only applies at the time that they have done the mental arithmetic. There is quite a wide margin of fluctuation in the exchange rate between the UK pound and the euro. Whilst the pound remains strong, a fluctuation of a percentage point or two, can make a big difference – on a significant house purchase or say 250,000 euros, the fluctuation could be the cost of a fully installed kitchen!

Traditionally, politics and the price of oil have been the major determinants linked to the strength of some currencies against others.

Well in Europe, we have our fair share of turmoil. The current inconclusive German election result between Merkel and Schroder has led to some uncertainty about the stability of the economic programme in Germany, one of the key countries of Europe and therefore in the strength of the euro. This of course, will resolve itself, and when it does, I expect to see the euro strengthen against the pound, which will mean less purchasing power for British clients.

However, many other things also affect today's currency market. Terrorism being one and the other is the weather. You only have to look at the effect of hurricane Katrina on the US Dollar to see what I mean.

Therefore, my advice is this. The pound against the Euro seems to trade within the margin: one pound to 1.42 up to 1.52 euros. According to one person I spoke to at a leading currency brokerage, they expect the euro to strengthen against the pound and move towards the bottom end of the range.

I believe that the natural level is 1.44 to 1.45 and clients should use this as their calculation rate. There are those who believe it will settle out at just over 1.42, that is 70 pence will buy you a euro. So I reckon the odds are stacked against those who want to wait for a better or stronger exchange rate. I do not think it is going to happen. My view is that if you are planning to buy in France, now is the time to be talking with one of the leading currency exchange brokers, someone like HIFX or MoneyCorp, or Currencies Direct or Currencies4Less and look to forward purchase your money.

You should find any of these brokers very helpful. Many of our clients use them and the process is fairly simple and painless.

That sounds like great advice Michael. Do you have anything else for us this week?

One small thing and that concerns medical cover in France for those making the permanent move. I had a call yesterday from a client who is buying through us who wanted to know the procedure for getting health service cover in France.

We have an exceptional National Health Service and anyone taking permanent residence can utilize it. Of course, personal circumstances apply here. So before leaving the UK you should check with the DHSS in Newcastle, explaining to them your intentions and asking what documentation you will require for medical cover in France.

When you get to France, you will need to make an appointment with the local CPAM Office (the Caisse Primaire de l'Assurance et Maladie) to take the forms in and make your application for cover. Shortly afterwards they will issue you with your Carte Vitale, which you will use for visits to the doctor, prescriptions and other health services.

A proportion of the cost of these services will then be met by the state. Remember that not all the cost is recoverable unless you have purchased top-up insurance through a health insurance company like Swiss Life.

If you have the insurance then all your costs will be met. We thoroughly recommend that all our clients buy this insurance – as you never know when you are going to need some expensive services or surgery.

My top-up cover for my wife and myself amounts to about £650 per year....and now I do not pay a thing when I get my prescription, or visit the dentist or go to the doctor.

As always Michael, very informative. I suppose a glass of red is now in order.

Too late, I have started already! It has been great to be with you again and I look forward to next week when hopefully we can dispel a few more myths and add to that knowledge bank.