

*Our regular spot on a Tuesday is a visit to the Loire Valley and we are joined by Michael Taylor from the French estate agency, Properties in France. Hello Michael.*

*I know you have some things for us, but one of the subjects I would like you to touch on, from an estate agent's point of view, is property inheritance. Is that OK?*

Absolutely, in fact let us deal with that first of all. We do of course have our own legal expert here on Expats Radio, and I am by no means versed in all aspects of the law. What I hope I can provide is a quick overview. This is based upon what we tell all our clients when they are in a position to buy.

The first and most important thing to note is that the legal implications for Brits buying a secondary home is different to Brits who emigrate and live permanently here in France.

The other thing to remember is that we are dealing with French law and not English law and there are marked differences, primarily connected to the law of succession, which differ according to your status as a resident or non-resident.

So, to start, there are three ways of buying a property in France.

The first is **sole ownership**. As the name suggests there is only one owner and when the owner dies, the property will decline in accordance with the laws of succession to the children.

The second is called **Indivision** – this really means joint ownership. This is not necessarily the most advantageous way of buying in France as succession laws and most importantly tax law means that the 50% owned by the deceased spouse will be taxed and pass to the children, including children from former marriages.

There are of course, ways of deferring this. For example if you own a property jointly and take out a Community Marriage Regime (known as a Communauté Universelle), this gives the surviving partner the whole of the property on the death of the other partner. This avoids the succession laws and the tax. However, you have to take out the regime at the point of purchase, as trying to change to it afterwards can cause problems and may be denied by the courts as being seen as disinheriting the children.

The third way of buying is **in Tontine** - this is another way of buying through joint ownership and is very normal in France. It can be used by unmarried and well as married partners.

Quite simply it means that the surviving partner gets it all. It is as if the deceased partner had never lived. Using a Tontine clause, French succession law is avoided but there is still an inheritance tax liability.

Now it is important to note that a tontine can only be put in place at the time of purchase and must be included in both the *Compromis de Vente* (the promise of purchase) and the *Acte de Vente* (the actual sales act) which is signed on the day of completion.

*Okay, so three ways to buy but what happens if you have an English will that stipulates that the property goes to someone else*

First of all, your English will has little validity in France, particularly if you are a permanent resident.

Secondly, it does not matter what you say in your will, UK or French – the law of succession has absolute precedence and the children will benefit.

I have another important point here. The interpretation of children includes those by former marriages and those that have been adopted. It also includes children conceived but not born at the date of the parent's death and it includes illegitimate children.

There is no way of avoiding this. With the exchange of information and databases across Europe, it is the Notaire's job to check that the information that you give at the point of signing the *Compromis de Vente* is correct.

As an estate agent, we complete the pre-paperwork associated with this and I am obliged to ask about children. I had one client who when I asked about children said they had two by their marriage. I then asked if there were any other children through former relationships. I emphasized how important it was for a truthful answer. To my horror and theirs, the guy turned to his wife and said, I think we had better talk. It subsequently turned out that

he had fathered a child when he was 17 years of age and had never spoken about it with his wife of 15 years.

*That must have been a difficult moment for everyone. So let us move on. I believe you can also buy residential property through a company?*

Yes, that is absolutely correct, but I do not recommend you do this through a UK or Offshore company, but there is a mechanism within France that will allow you to buy through a private French company. This is known as a **Societe Civile Immobiliere** or **SCI** for short.

As you can imagine, setting up a private company opens all kinds of other doors, some of which you may not want to open. For example, if you are buying a secondary home and therefore you remain a UK resident, you could find yourself liable for UK tax on the benefit of using the property, if you do not pay any rent.

However, the big benefit is that when you die you leave your shares in the company and not the property and therefore the French succession laws do not apply.

But, as always, there is a potential downside. Capital gains made by an overseas company are personally attributed to UK resident shareholders even if there has not been a distribution, so you definitely need to talk with an accountant about this before considering the option of creating shareholders in your property and the tax implications it will have for each one of them.

*Thanks Michael, very informative as usual. Steven Smith is our legal expert and heads the specialist French law team at Stephen Smith (France) Ltd. He is one of the leading French property law specialists in the UK and has over twenty years experience covering all aspects of buying and selling residential assets in France. So if listeners do have any questions arising from Michael's comments, Steven is the man to answer them, You can e-mail him at [info@expatsradio.com](mailto:info@expatsradio.com)*

*So Michael, what else do you have for us today?*

If I might just add to what you have said. I have given my perspective on the way the laws work here in France, but people thinking of buying should seek proper legal advice on how best to buy to suit their circumstances.

Right, now I would like to turn to something completely different. I suppose we could call this section 'breaking through the clutter' and it has to do with where to go to find out more about buying in France and who does what.

Many of our clients have commented on how confusing it is to find reliable information about how to buy and where to go for information. They have said it is confusing as there are a plethora of magazines and books out there, many carrying conflicting information.

I think the glossy magazines and books are great at giving a flavour of France and give you some idea of the different regions. They will also explain the purchasing process, although sometimes the information can be out of date, as there have been recent changes to the way you buy.

Anyway, at the back of these magazines you will see many advertisements for French estate agents, UK agents and consultants. It is often hard to tell who does what and it can certainly take an age to ring round all of them or visit their websites.

My own view is that there is no better way to get a feel for both an area and what is available than to visit an overseas property exhibition where you can gather information and chat directly to the people in the industry.

You can get a feel for each company and quickly discover how well they know their market and if they are actually based in France or operating as intermediaries in conjunction with French agents.

Having a good rapport with people can make a great difference to the purchase process. Finding an agent you trust is one of the most important steps towards purchasing. You will need to rely on them throughout the sales process but may need their help afterwards in finding your way around the area, locating reliable artisans and integrating into the local community. Of course not all French estate agents have that kind of relationship with their clients and certainly it is unlikely that those who are intermediaries offer any kind of aftercare service.

Exhibitions are a good opportunity to find out what services people offer. Remember that not everyone you meet at these shows can sell you the property they represent. The only people who can conduct a sale are either a French estate agency that has a carte professionnelle and a mandat to represent the vendor's interest, or a Notaire. So, you need to check with UK based agents and middlemen to see if they charge additional fees on top of the French agents/notaires fee.

It is also worth checking with each company what additional services they offer, if they charge extra for translation services and what their fees include.

Just to make matters more confusing, many agents will not include notaire's fees in their featured prices and this could amount to at least 8% on top.

*Okay, so that is confusing in itself. What exhibitions do you think they should attend?*

There are now about 200 shows per year, so knowing which ones to go to can be a bit of a headache.

I think that your best bet is to get a list of exhibitors in advance and then decide which to attend. Chances are the bigger the show the more choice you are likely to have. The all country overseas shows tend to have a limited number of French exhibitors and more of an investor bias, whereas you will have more to choose from at the French only shows.

The biggest shows are not necessarily the best shows to use for fact-finding. Some of the shows that focus on spectacle, regional produce and lifestyle are huge, but can be very tiring to navigate and you can waste a lot of time trying to locate information on actually purchasing properties.

We attend about seven UK based shows a year. We find that the Homes Overseas shows and the French Property News Exhibitions are a good platform to meet with people interested in buying in France.

Many of the shows also do a series of seminars that can be useful. The only thing to watch out for is where these sessions are hosted by interested parties. So when a presenter tells you not to rely on a notaire to be an independent party, you should take his advice with a pinch of salt!

*Okay, a lot to take in and it has been quite heavy in content. So how about a little light relief.*

Absolutely, a couple of shows ago we briefly touched on the subject of things to do in my area, the Loire Valley. Today, I thought we would look at things to do that cost you absolutely nothing!

There are a wide range of activities and places of interest to visit which are completely free of charge.

For instance, most towns and villages have brocantes and flea markets at some time during the year, some, however, are regular events.

Every Wednesday and Saturday there is a flea market in the Place de la Victoire in Tours. The square comes alive with people and colour as visitors search for bargains in the open air.

On the first Sunday of every month there is a brocante à Coeur in the old quarter of Montreuil Bellay.

On the second Sunday of every month there is a brocante in Thouars and a flea market in Montsoreau on the banks of the River Loire.

On the third Sunday of every month there is a brocante at Chinon held on the Promenade

Brocantes, vide-greniers and flea markets are a great way to meet the locals as well as pick up a bargain or two while you are there.

Vide-grenier means to empty your loft, so the goods on sale can vary greatly from chamber pots to beautiful antiques!

*Sounds like it is a great place to get a bargain, what else is going on?*

Well, some other places worth consideration are the beautiful churches and cathedrals in our region and there are so many that can be viewed by the public without cost.

The Cathedral Saint Maurice in Angers was built in the 12<sup>th</sup> century and still maintains some amazing features including Gothic sculptures on the façade of the building – it is open daily.

Another, is the Church St Florent Le Vieil in the old town of Anjou – an eighteenth century building which was the site of some of the most dramatic events during the Vendée uprising of 1793 (pro royalist movement of the French Revolution) and is uprising is beautifully depicted in the stained glass windows.

The Cathedral Saint Gatien in Tours honours a third century evangelist and has an ornate gothic façade and two towers whose bases date back to the twelfth century. Also within the Cathedral is the sixteenth century tomb of King Charles VIII and Anne de Bretagne's two children.

Stunning stained glass windows dating back to the thirteenth century can also be seen.

Another of great historical interest is the Cathedral Saint Croix at Orléans, originally built in the thirteenth century but after being destroyed in the sixteenth had to be completely rebuilt. This contains the chapel of Joan of Arc, beautiful treasures of gold and enamel and some lovely examples of art work.

These are just a handful of the churches, cathedrals and places of worship that you can visit in and around our region.

*Sounds like we need a whole week just to tour the places of worship, have you any other recommendations?*

There is so much more!

It would be impossible to cover everything and it depends on what you are interested in.

There is an array of museums, which have no entrance fee, including an interesting floating laundry museum..... Floating laundries were a common sight during the nineteenth century and could be seen all along the banks of the Western Loire. There is one that has been preserved in Laval, near Le Mans and visitors can see it, as it would have been all those years ago.

Another place of historical interest is the Hotel Groslot at Orléans, built between 1549 and 1555. Until recently, it was used as a Town Hall but is now open to everyone. It has a luxurious interior and scrolled staircase, which made it fine enough residence to lodge the King of France!

I could go on for ages, as the options are endless, markets in most towns at least once a week, as well as a huge covered market in

Place Gaston Pailhon in Tours, which is open every day and offers a wide variety of local food and crafts.

Markets in France are a fabulous experience, the sights, smells and sounds are all around you. Hot rotisserie chickens are on sale, great fresh fish, a wide variety of fruit and vegetables, almost always locally grown, hand made goods, clothes and much, much more.

I particularly enjoy the market at Saumur on a Saturday morning, my wife and I often stroll through the old part of the town, picking up some fresh produce, before stopping at one of the many bars for an espresso.

*Did I hear you mention coffee – I thought you were a wine drinker?*

Steady boy....but you are right, one of my passions is wine and Vouvray is one of the greats. There is a cave near Amboise, which is open daily and offers a fascinating free tour that is accompanied by a welcome tasting of local wines. Can't be bad for a free day out!

Of course, there are many other caves, wine cellars and viticulteurs that can be visited, which also offer tours and tastings.

My intention is to try them all!

*There is the Michael we know. Many thanks for today. We have covered a lot. We will see you next week with something new.*

Absolutely and let us get some more listeners writing in with their questions. Until then, a bientot!