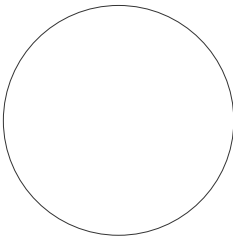


PI Facts

Fact File:

- Almost 60% of French properties bought by English and Irish are for primary residence
- Mortgage/loan rates at approx 3% per annum
- Average completion period from offer to signing is less than 10 weeks



Highlights:

- Buying is easy
- Starting a business
- Financing a dream
- Making sense of the process
- Home alone

Promotional Newsletter
published 09/2005 by:
SARL PIF
Siret: 423 301 142 00026
APE-NAF: 703A
Properties in France
23 rue de la Vincenderie
49390 Vernueil, FRANCE
www.propertiesinfrance.com

A Guide to Buying in France



There was a time when living abroad was something only the privileged few could afford, but times have changed. The strength of the UK housing market has meant that many people can generate enough cash to fulfill a dream.

In a recent report issued by the Market Intelligence Unit of one of the leading French banks, it noted that 42% of all house sales were to non-residents. The UK heads the league table, followed by the Dutch and then the Germans.

Of course, it is not only France that has appeal; traditionally, Spain, Portugal and now Bulgaria and places like Croatia are also seeing an influx of people buying holiday homes or making a move as they head towards retirement.

Close proximity to the UK has made France increasingly popular. It is a large country, with the same population as UK and a landscape that is diverse and often quite stunning. The lifestyle is more relaxed with a family centric approach which contrasts with the fast pace of life that is the norm in the UK and Ireland.

BUYING COULD NOT BE EASIER

Everyone has a story to tell about moving. The press is full of tales of buying woe. Do not believe everything you hear and read. For most, the purchase of a property in France is relatively easy. French property law is very precise and the buying chain is nearly non-existent.

Increasingly, French estate agencies (Agences Immobilières) have English-speaking associates and there are a few registered French estate agencies owned by Brits. Properties in France (PIF) is such a company operating in the valleys of Le Loir and La Loire. With eighteen years in the region, the agency provides a full turnkey service.

PIF works with clients, helping them identify, buy and restore properties. John Carter, who is a founding partner, says: "We are a family business. Our emphasis is on making it as easy as possible for our clients to realise a dream".

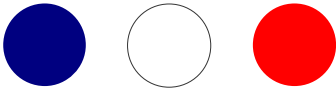
Mr. Carter has noticed a shift in the purchasing requirements of clients. When the business first started, 95% of all properties bought through the agency were as holiday homes; now almost 60% of the properties are primary residences. He says: "We have also noted larger numbers of young people making a permanent move. We are finding family homes for people in their 30s. Lifestyle, a superb national health service and excellent schooling are all reasons why they want to make the move."

STARTING A BUSINESS IN FRANCE

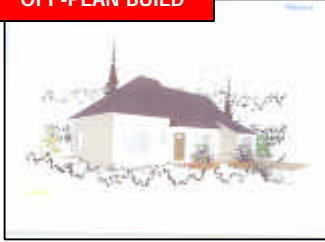
Many of those making the permanent move are also considering how to make a living. Bed and breakfast and gîte accommodation are often criteria for selecting properties to view. There are good deals to be had! Several of PIF's clients have purchased properties with land and outbuildings and converted these into successful businesses.

France is classic vacation country. Millions come to visit the châteaux, vineyards, museums and ancient towns found throughout the country. The weather helps immensely. The climate is milder and softer than many of its neighbours. Holiday rentals work well in this region, unlike some other areas of France where there is an over supply of self-catering accommodation.

For someone who wants to generate income to supplement an existing pension, or who wants income while still living in the UK, the opportunities are excellent. The large gîte complex is not always the way to go. Better to purchase one or two small, single properties; fit them out to a high standard and market



OFF-PLAN BUILD



From 191,000 Euros (all-inclusive)



302,000 Euros (all-inclusive)



74,900 Euros (all-inclusive)



205,200 Euros (all-inclusive)

There are over 200 properties featured on our Website

PIFacts TRAVEL

Ferry

www.poferries.com
www.brittanyferries.com

Air

www.bmibaby.com
www.ryanair.com
www.flybmi.com
www.britishairways.com
www.easyjet.com
www.airfrance.com
www.flybe.com

Train

www.eurotunnel.com
www.eurostar.com

them through one of the numerous vacation rental Websites like

www.escapeholidays.co.uk or www.holidaylets.net.

The additional revenue is, of course, taxable and now with the joint tax treaty between France and the UK, there is only one set of taxes to be paid.

FINANCING THE DREAM

Raising money to purchase a property in France is also relatively easy. French banks are used to lending money to non-residents and traditionally, interest rates are lower than the UK and Eire. The ability to repay the loan, rather than the value of the property, is the key criterion for a French bank to make a decision. Hence, their disinterest in building surveys. However, banking regulations in France are not the same. In France, you do not default on your account, which can result in you being blacklisted by the Bank of France and unable to get a current account with any bank in the country for up to 10 years.

PIF has helped many clients establish both a current account and a mortgage with a French bank. The process is simple and providing your repayments do not take your total outgoings beyond roughly a third of your gross income (before tax), your chance of securing a loan is good.

MAKING SENSE OF THE PROCESS

After having seen the property of your dreams and having your offer accepted, you will sign a Compromis de Vente. This legally binding document lays out what you wish to buy, for what price and the method by which you will finance the purchase. A recent change in the law now means you have a seven-day cooling-off period after signature, whereby you can withdraw from the agreement with no penalty. There is no such luxury for the seller. After signing the Compromis, he is legally bound to sell it to you, at the price agreed (no gazumping) and within the timeframe laid down in the contract. The Notaire (regulated by the French government) then engages in his land use, conveyance and lien searches. This normally takes six weeks to complete. In the meantime, after your seven-day grace period, you are required to make a 10% deposit payment. The money is deposited in to the equivalent of an escrow account managed by the Notaire and is held for distribution at the completion of the sale.

Ahead of signing the Compromis, the vendor is obliged to commission an expert to inspect his property for the occurrence of lead paint and asbestos. This inspection, in some

regions also looks for the presence of termites. The report is then produced at the time of signing the Compromis de Vente.

When the Notaire has finished his deliberations (ahead of the date you have previously agreed with the vendor for completion) you will be in a position to sign the Acte de Vente having made your final payment of the balance due. On signing the Acte the property is yours – it is as simple as that!

Comments John Carter from PIF: "It really is quite simple, except for one thing, the whole process is conducted in legal French! This is where a service like ours can really help. We are with you every step of the way, translating on the spot and attending all the meetings with the Notaire and with the bank, if a loan is involved. It's part of our aim to make the whole process as simple and undemanding as possible for our clients."

For many, the dream of having a house in France is a real possibility. House prices are considerably lower than the UK; they often come with large tracts of land and running costs are much lower. Food and other living expenses are traditionally less than you would expect in the UK.

So, if you have £60,000 (or more) and a dream to live in France, now is the time to start looking.

HOME ALONE?

It is a scary thought. You have just bought, now what do you do? How do you organise electricity? What about schools? Hospitals? A plumber? Properties in France does not wave goodbye when the deal is done. We automatically organise insurance and switch electricity and water with no charge. We are also on hand for when you have questions and problems and will even look after your property while you are away. We are here to provide a lifeline and give you peace of mind – ask about our PIFCARE service.

July 2005: PIF OPENS NEW OFFICES - OVER 200 PROPERTIES ON DISPLAY.

