

Consumer market study on the functioning of the real estate services for consumers in the European Union

Country fiche – FRANCE

General information

Country	France
Researcher name	Gayet Marie, Me Didier Coiffard
Researcher contact details (email)	gayetmarie@yahoo.fr, dg.csn@notaires.fr
Main Sources Used	<ul style="list-style-type: none"> • JCL notarial repertoire; • JCL notarial formulaire; • JCL Roulois ; • Droit de la vente immobilière, sous la direction de François Collart Dutilleul, Dalloz reference, 2016/2017; • Le marché immobilier français, Institut de l'épargne immobilière et foncière, Delmas, 2016/2017; • Agent immobilier, Jean Marie Moyse et Guy Amoyel, Encyclopédie Delmas, 2017/2018; • Droit des intermédiaires immobiliers, activités et opérations d'entremise et de gestion, achats ou ventes, recherches, échanges et locations. M. Thioye, LexisNexis, Droit&professionnels, 2016, 3e édition; • Droit de la consommation, Guy Raymond, Lexis nexis, 2017; • Droit de la consommation, Jean Calais-Auloy, Henri Temple, précis Daloz, 2015; • Responsabilité des notaires, Dalloz, sous la direction de Jeanne de Poulpique, 2009/2010; • https://www.notaires.fr/fr; • http://www.fnaim.fr; • https://www.insee.fr; • https://www.conso.net/recherche?displayModeParam=grids&send=&keyword=agent%2Bimmobilier.

1. Regulatory background

1.1 Level of regulation in the country

Table 1: Level of regulation

	Level of regulation	Source of relevant legislation	Ongoing discussion on regulation/deregulation: current state of affairs and main arguments in the debate
Real estate transactions¹	<p>Strictly regulated:</p> <ul style="list-style-type: none"> • With regard to the provisions on the sale contract in general, such as the checking of the ability of the parties and the identity of the parties, or the verification of the object of the contract; • With regard to the provisions specifically applicable to the sale of real estate in general, such as advertising, the listing of mandatory technical diagnostics, the verification whether the property is under the status of co-ownership 'co-propriété'; • With regard to specific regulation on the sale of new build (planned property) or on the sale of buildings to renovate (residential). 	<p>Unless there are special legislations, then the Civil Code applies, in particular the rules concerning the sale. In reality, the sale of real estate (buildings constructed, or to be constructed, land, etc.) is regulated by numerous special texts, especially if the building sold is used as a dwelling. Lease contract is also strictly regulated when it concerns a residential use. These rules sometimes appear in the civil code, but often in other codes, such as the building or housing code, or the code of consumption. Most of these rules will be quoted below. Relevant legislation also appears in the town planning code.</p>	<p>It is generally considered that the system well protects consumers. No important reform of the system is currently object of debate.</p>

¹ E.g. limitations or prohibitions of certain transactions; specific formality requirements etc.

Table 1: Level of regulation

Notary system (or lawyer/conveyancer system)²	Strictly regulated	Mainly: Ord. n°45-2590 du 2 novembre 1945 relative au statut du notariat.	Notary system is currently undergoing major reforms, about the possibilities of installation, form of association, and notary's fees (L. n° 2015-990 du 6 août 2015 pour la croissance, l'activité et l'égalité des chances économiques)
Profession of estate agents	Strictly regulated	Mainly : L. n°70-9 du 2 juillet 1970, réglementant les conditions d'exercice des activités relatives à certaines opérations portant sur les immeubles et les fonds de commerce	

1.2 National legislation

Table 2: List of national legislation

List of national legislation	Classification of national legislation	Content of the national legislation
Code Civil (Art. 1128, 1130 and following, 1123 and following)	Buyer, seller, notary	(General provisions) For the validity of a contract, the following elements are necessary: 1) the consent of the parties; 2) the ability of the parties to negotiate; 3) a lawful and specific content.
Code Civil (Art. 1604 and following)	Buyer, seller, notary	(General provisions) Obligations of the buyer and of the seller in the context of a sale contract (compliance, issuing of the contract)
Code de la Consommation (L132-1)	Consumer (protection of the non-professional buyer), notary	General provisions: considers as non-written the unfair terms of sale contracts concluded between professionals and consumers.

² Only in countries where notaries do not exist or do not have a monopoly on conveyancing.

Table 2: List of national legislation

Code de la Construction et de l'Habitation (L271-1)	Consumer (protection of the non-professional buyer), notary	In every preliminary sale contract, the consumer's consent is no longer definitive. There is, in fact, a right to rescind the contract that has a public character and that lasts 10 days following the signature of the preliminary contract.
Code Civil (215)	Seller and his/her family (protection of the family home), notary	In case the sale contract concerns the family home, a spouse may not without the other spouse's agreement alienate the assets on which the family's place of residence depends, (nor the furnishings of that residence) irrespective of their matrimonial regime.
Code de la construction et de l'habitation (L271-4), Law of 18 December 1996	Buyer, notary	In case of a sale of real estate, several pieces of information need to be delivered to the buyer in relation to the security of the property (technical diagnostics such as the presence asbestos, termites) or at the measurement of the property.
Code de la Consommation (L313-1 and following)	Consumer, notary	Enhanced protection of the consumer regarding the credit financing the acquisition of the property (FISE, evaluation of the borrower's creditworthiness, duty to warn the lender, early repayment, interdependency between the sale contract and the obtainment of credit).
Décret du 4 janvier 1955	Buyer, notary (for opposability against third parties)	Formality (land registration)
Art. 710-1 du code civil	Seller, buyer, notary	Land registration
Code de la construction et de l'habitation (Art. L.261-1 and following and R.261-1 and following)	Buyer of a residential property	Protection of the buyer in case of sale before completion.
Code la Construction et de la Construction (Art. L.231-1 and following, L.232-1 and following, R.231-1 and following, and R.232-1 and following)	Buyer of residential property	Protection of the buyer in case of a building contract for a single family home with or without supply of land.

Table 2: List of national legislation

Loi du 31 décembre 1975 – Art. 10	Tenant	Pre-emptive right of the tenant in case of sale of the rented dwelling
Loi du 6 juillet 1989 - Article 15 Loi du 13 juin 2006	Tenant	Protection of the tenant from the sale to the 'découpe' ('cut', a prorogation of leases in case of sale of the property or in case of co-ownership - copropriété).

In relation to the regulation applicable for notaries, see Section 7.

1.3 Implementation of relevant EU legislation

Table 3: Implementation of relevant EU legislation

EU legislation	Implementation achieved?	Implementation of EU legislation at the national level (e.g. the name of the law)	Source of the national implementation legislation	Content of the national legislation in keywords	Which parts of the EU legislation have been transposed?
Directive 2005/29/EC on unfair commercial practices (UCPD)	Yes	LOI no 2008-3 du 3 janvier 2008 pour le développement de la concurrence au service des consommateurs	French parliament	Development of competition / consumer	All
Directive 93/13/EEC on unfair terms in consumer contracts	Yes	LOI no 95-96 du 1er février 1995 concernant les clauses abusives et la présentation des contrats et régissant diverses activités d'ordre économique et commercial	French parliament	Consumer protection / Unfair clauses	All

Table 3: Implementation of relevant EU legislation

Directive 2008/122/EC on the protection of consumers, in respect of certain aspects of timeshare, long-term holiday product, resale and exchange contracts	Yes	LOI n° 2009-888 du 22 juillet 2009 de développement et de modernisation des services touristiques Arrêté du 15 juin 2010 fixant le contenu des formulaires standards d'information relatifs aux contrats d'utilisation de biens à temps partagé, aux contrats de produits de vacances à long terme, aux contrats de revente, aux contrats d'échange et le contenu du formulaire standard de rétractation visant à faciliter le droit de rétractation	French parliament	Timesharing / right to retract	All
Directive 2010/31/EU of Energy Performance of Buildings Directive	Yes	See below(1)	French parliament en government	Energy / buildings	All
Directive 2005/36/EC on Recognition of Professional Qualifications, as last amended by Directive 2013/55/EU	Yes	See below (2)	French government	Recognition of professional qualifications	All

Table 3: Implementation of relevant EU legislation

Mortgage Credit Directive, 2014/17/EC	Yes	<ul style="list-style-type: none"> • Ordonnance n° 2016-351 du 25 mars 2016 sur les contrats de crédit aux consommateurs relatifs aux biens immobiliers à usage d'habitation; • Ord. 2016-351, 25 mars 2016 JO 26 mars 2016, texte n° 27; • D. n° 2016-607, 13 mai 2016; JO 15 mai 2016, texte n° 9; • D. n° 2016-622, 19 mai 2016; JO 20 mai 2016, texte n° 22. 	French government	Consumer/loan/information	All
--	-----	--	-------------------	---------------------------	-----

(1) 51 legislations : <http://eur-lex.europa.eu/legal-content/EN/NIM/?uri=CELEX:32010L0031>

(2) 23 legislations : <http://eur-lex.europa.eu/legal-content/FR/NIM/?uri=CELEX:32013L0055>

1.4 Communications and strategy papers

Table 4: Communications and strategy papers

Communication or strategy paper	Have the following communications and strategy papers been referred to in national documents?	Name of document	Source	Content	Differences with respect to communications and strategy papers listed in the first column
COM(2015) 550 final Communication of the Commission Upgrading the Single Market: more opportunities for people and business	No				
COM(2013)676 Communication from the Commission on evaluating national regulations on access to professions	No				
COM(2016)820 Communication from the Commission on reform recommendations for regulation in professional services	No				
European Consumer Agenda	No				
Consumer Programme 2014-2020	No				

2. General market information

2.1 Key market data

Table 5: Key market data	
General market situation (e.g. trends in the market, recent developments in the market, price fluctuations, etc.)	Over the past year, there is a slight rise in property market prices. This price increase is greater in Paris. Despite this increase, the number of transactions increases as well. At the end of June 2017, the number of sales made over the last twelve months reached a new historical record with 921,000 transactions (691,000 transactions were recorded over twelve months in February 2015, 652,000 transactions in February 2013). Acquirers are encouraged by the fact that borrowing rates are still fairly low. (1)
Total value of residential transactions for buying and renting for the year 2015 (2014 or 2013 depending on the latest available data) expressed in EUR	Data unavailable: There is no official database for renting. On the other hand, the number and amount of real estate transactions of any kind is known because these sales are recorded : see above (2)
Ratio house owners – tenants (i.e. the percentage of households that are owners resp. tenants of dwelling units)	In 2016, 58% of households own their main residence. This share has increased from the 1980s to 2010, but is now stable (Source : Insee)
Usage of land (Quotas for built land, agricultural land, “wild land” (forests, lakes etc.)	In 2015 : <ul style="list-style-type: none"> • Artificial soils: 9%; • Agricultural land: 51% ; Woodlands, wetlands or lakes : 40% (4)

Table 5: Key market data

Average prices of residential property	<p><i>According to the type of property</i></p> <ul style="list-style-type: none"> • Average flat of ca. 70 sqm • Terrace house of ca. 100 sqm • Detached (one family house) of ca. 150 sqm 	<ul style="list-style-type: none"> • Average flat of 70 sqm in urban area (Rennes) : 140000€; • Terrace house of 100 sqm in urban area (Rennes) : 304000€; • One family house of 150 sqm in urban area (Rennes) : 465 000€ (5); <p>These indications are given as an example. The prices of properties varies according to the local particularities.</p>
	<p><i>According to the type of location</i></p> <ul style="list-style-type: none"> • Capital city • Urban areas • Rural areas 	<ul style="list-style-type: none"> • Average flat of 70 sqm in capital city : 592000€; • Average flat of 70 sqm in urban area (Rennes) : 140000€; • Average flat of 70 sqm in rural area: 87500€ (6). <p>These last two indications are given as an example. The price of properties varies according to the local particularities.</p>
Price development of residential property	<p><i>According to the type of property</i></p> <ul style="list-style-type: none"> • Average flat of ca. 70 sqm • Terrace house of ca. 100 sqm • Detached (one family house) of ca. 150 sqm 	<ul style="list-style-type: none"> • Evolution of the median prices of an apartment over 5 years (Rennes): + 2.3% (5) • Evolution of the median prices of a house over 5 years (Rennes): +4.2% (5)
	<p><i>According to the type of location</i></p> <ul style="list-style-type: none"> • Capital city • Urban areas • Rural areas 	<ul style="list-style-type: none"> • Evolution of the median price of an apartment in capital city over 5 years (Paris): + 3,8% (6); • Evolution of the median price of an apartment in urban area over 5 years (Rennes): + 2.3% (5); • Evolution of the median price of a house in a urban area over 5 years (Rennes): +4.2% (5).

Table 5: Key market data**Development of price index (Housing price index if existing, otherwise Consumer price index)**

Development of price index (INDICES NOTAIRES-INSEE):

In the second half year of 2017, prices for older homes continued to rise: + 0.8% compared to the previous quarter. The rise is more important for flats (+ 1.3%) than for houses (+ 0.5%). Over one year, price increases continued: + 3.2% compared to the second quarter of 2016, after + 2.5% the previous quarter. For the third consecutive quarter, the increase is greater for flats (+ 3.9%) than for houses (+ 2.7%). In Paris, there is a significant rise in the price of flats over the last 12 months (+ 6.6%). In the provinces, this rise is less important (1)

(1) <https://www.insee.fr/fr/statistiques/2591383>(2) <https://www.insee.fr/fr/statistiques?debut=0&theme=30&conjoncture=56>(3) <https://www.insee.fr/fr/statistiques/2591383>(4) <http://www.gouvernement.fr/indicateur-artificialisation-sols>(5) Notaries have an obligation (Law of 28th of March 2011) to provide real estate statistics that represent an official reference and are made available to the public: Website PERVAL: <https://www.perval.fr/>, and website BIEN: <https://basebien.com/PNSPublic/index.php>(6) <https://www.immobilier.notaires.fr/fr/prix-immobilier> (Juin 2017)

2.2 Service providers

Table 6: Service providers						
	Total number of firms	Total number of professionals	Total number of employees	Branch offices per firm	Market concentration in % of turnover	Average turnover per firm (expressed in EUR)
Estate agents³	For all real estate activity: 217 000 (1)	N/A	For all real estate activity in 2015: 217300 (1)	N/A	N/A	Total turnover of the profession for all real estate activity in 2015: 76 billion euros (1)
Lawyer/ Advocates/ Solicitor	8 440 (2)	63 923(2)	N/A	N/A	N/A	N/A
Notary (29/06/2017)	4 585	10 693	About 50.000	N/A	N/A	Total turnover of the profession : 6,5 billion euros (3)
Licenced conveyancers	Licenced conveyancers do not exist in France	N/A	N/A	N/A	N/A	N/A
Architects	In France, the architect does not normally participate in the rental, purchase, or sale of a property (4)	N/A	N/A	N/A	N/A	N/A
Surveyor	<ul style="list-style-type: none"> 1188 (5); In France, land surveyor may possibly be called as an expert to delimit the perimeter of what is sold. However, they may engage in real estate trading. They must have been authorized 	1831 (5)	10 000 (5)	N/A	N/A	Total turnover 2015: 783 million euros (5)

³ Where available, provide the data separately for national real estate agents and real estate agents incoming from other EU/EEA Member States.

Table 6: Service providers

	<p>by the "National Order of Expert Geometers". They must meet conditions of aptitude comparable to those of estate agents. They are also bound to insurance obligations. (6)</p> <ul style="list-style-type: none"> The number of transactions made through them remains low compared to traditional market players. Property management, real estate transactions and co-ownership trustee ("syndic de copropriété") account for only 1.1% of their total turnover. (5) 					
Engineers	In France, the engineer does not normally participate in the rental, purchase or sale of a property	N/A	N/A	N/A	N/A	N/A
Other relevant service provider	N/A	N/A	N/A	N/A	N/A	N/A

(1) <https://www.insee.fr/fr/statistiques/1304051#graphique-figure2>

(2) http://www.justice.gouv.fr/art_pix/1_pejc_com_stat_prof_avocat_2016.pdf

This number is expected to increase significantly in the coming years, with the "LOI n° 2015-990 du 6 août 2015 pour la croissance, l'activité et l'égalité des chances économiques".

(3) However, they may carry on these activities if they obtain a professional card necessary for the practice of the profession of real estate agent. see below, table 20. D. n° 72-678, 20 juillet 1972, art 95.

(4) http://www.geometre-expert.fr/oge/la-profession/la-profession-stu_5175

(5) Art. 95 D. n° 72-678 du 20 juillet 1972.

D.96-478, 31 mai 1996, art. 157

3. Roles of professionals and services in the real estate market

Table 7: Role of professionals in the real estate market

	Estate agent	Property valuator ⁴	Lawyer/ Advocate/ Solicitor	Notary	Technical expert	Other relevant professionals
Main function: does the professional typically work independently or as part of a firm or another organisation?	<ul style="list-style-type: none"> Matching the parties; They may work independently or as part of a firm. 	Not applicable	Lawyer is called only exceptionally in the real estate acquisitions of residential property, usually for legal advice.	<ul style="list-style-type: none"> Legal services: Drafting the sale contract, Registration; Sometimes matching parties; Many notaries are associated in firms (7145 of them) (1); Number of notaries working independently: 1464. 	Normally, in France, the architect and engineer do not directly participate in the rental, purchase, or sale of a property. They can be consulted as a construction expert (see above Table 6).	<p>Technicians performing the technical diagnostics that must be delivered to the acquirer prior to the sale.</p> <p>They are subject to certain obligations. They must be insured (1).</p>
Extent of engagement⁵	<ul style="list-style-type: none"> Matching the parties; Preliminary contract. 	N/A		<ul style="list-style-type: none"> Preliminary contract; Drafting the sales contract; Registration. 		Elaborate the technical diagnostics submitted during the pre-contractual phase.

⁴ In some EU countries, the real estate property valuers are regulated as a profession that is separate from estate agents (e.g. Hungary, Lithuania, Latvia); their services might be obligatory, especially when taking mortgage loans.

⁵ **Extent of engagement of notaries:**

Real estate valuation: on an ancillary basis, the notary can make estimates or valuations of properties (French notaries are members of TEGOVA). The notary may have a role, on an ancillary basis, in the negotiation of real estate.

Buying/selling: The notary drafts the sale contract. S/he verifies the civil status of the seller/buyer as well as the capacity of the parties, and verifies the validity of the title of the property. The notary must inform all parties impartially about the content and consequences of the act, including financial and tax related consequences. The notary declares the transaction to TRACFIN in case of declarations with regard to the fight against money laundering. The notary must also verify that the technical diagnostics (energy performance, lead, termites, asbestos, gas, electricity, sanitation) have been carried out, and that they are still valid. The notary must implement the various pre-emptive rights that may apply (city, SAFER, etc.). Similarly, if the property is rented, the notary must examine the rent contract to see if the tenant has a pre-emptive right (if any, the notary must ensure that this right has been respected and that the tenant renounced to it). The notary carries out the necessary checks in relation to the sold property and in particular:

- By the Land Registry and the cadastre;
- At the Town Hall (town planning, public utility easements, etc.);
- With the syndic of co-ownership, where applicable, or the land associations.

The notary can also play the role of an escrow agent at the moment of the signature of the preliminary contract. The sale price is paid by the buyer to the seller through the intermediary (on the day of the signature of the sale contract). The notary also has the role to ensure that the mortgage creditors and the syndicate of co-owners have been paid in full. The notary is responsible for the calculation and the collection of taxes related to the sale of real estate:

Table 7: Role of professionals in the real estate market

Mandatory involvement	No mandatory involvement	N/A		Mandatory involvement (sometimes for the validity of the contract, generally for its registration). The involvement of notaries is mandatory for the sale of real estate <i>ad validitatem</i> (for example in case of sale before completion) or to allow the publication of the deed in the Land Registry.		
How are their fees/charges structured	% of total purchase price, freely agreed between the estate agent and his/her client	N/A		Proportional and fixed emoluments, fixed by public authorities (https://www.notaires.fr/fr/le-tarif-du-notaire). Discount are strictly regulated.		Freely agreed between the expert and the seller.

(1) Real estate activities are not incompatible with the profession (Réglement intérieur, Conseil de l'ordre des avocats de Paris: RIBP art. P 6.2.0.4). It remains infrequent in practice.

(2) R. 271-1 à R. 271-4 du CCH

(3) R. 271-1 à R. 271-4 du CCH

- Transfer taxes (transfer duties) payable by the buyer;
- If applicable, tax on the real estate capital gain payable by the seller.

Notaries pay an average of 22 billion euros in taxes each year to the Treasury under their full financial responsibility.

Notaries ensure the completion of formalities after the signature of the sale contract and in particular:

- In relation to the Land Registry (and the cadastre);
- In relation to the syndic of co-ownership, if applicable.

Notaries ensure the conservation of the real estate contract, which is an authentic deed, for at least 75 years. The deeds are then deposited in the public archives. Notaries must also develop the real estate database.

Renting: The notary does not intervene mandatorily during the renting/letting process. The parties may, however, decide to refer to a notarial lease, which is an authentic instrument implying strengthened probative force and enforceability. Parties will this way receive the notary's advice.

4. Land registration

Table 8: Land registration	
Responsible authority(ies) dealing with land registration	Land registry office (Service de publicité foncière): it is a French administrative and fiscal institution dependent on the General Directorate of Public Finance. It has 354 territorial divisions. (Since January 1, 2013, the "conservateurs des hypothèques" are removed. The state shall assume responsibility for the exercise of that function)
Actors involved in the registration procedure and their main functions	<ul style="list-style-type: none"> • Notary; • After the signature, the notary completes the formalities and pays taxes to the tax authorities. S/he supplies copies and extracts of the deed of sale, normally by dematerialized means ("tele@cte"). There is a publication in the "Land Registry Service". The sale is recorded in a real estate file containing the extracts of the published documents, under the name of each owner, and per building. This publication gives full effect to the act since it allows the transfer of ownership to be effective against third parties. This also concerns the mortgages guaranteeing the loan that financed the acquisition. (1)
Intermediate steps of the registration procedure	Not applicable

(1) Décret n°55-22 du 4 janvier 1955 portant réforme de la publicité foncière; Décret n°55-1350 du 14 octobre 1955 pour l'application du décret n° 55-22 du 4 janvier 1955 portant réforme de la publicité foncière

In order to perform the formalities of land registration, every act or right must result from an act received in the authentic form from a judicial decision by a notary or an administrative authority.

The sole purpose of the land registration in France is to ensure a publication date for published or registered acts, and also to resolve eventual conflicts that may exist between owners of conflicting rights.

The notary has the obligation to publish the documents received by him/her.

The land registration service annotates the real estate file and verifies the amount of taxes collected by the notary and transferred to the land registration.

5. The process to buy or sell a property

5.1 Main steps in the transaction process to buy or sell a property

Table 9: Main steps of the process to buy or sell a property			
Main steps	Main function	Applicable	National specificities/additional functions/main actors
Estate agent services	Matching the parties	Usual	<ul style="list-style-type: none"> Real estate agent: 68% of real estate transactions would be carried out through a real estate agent. Agent services are not always used. Often, the parties negotiate directly after they have met through advertisements published by the seller on the internet or in newspapers. This allows them to save costs for the fees; A number of online services have recently been developed to allow customers to interact with each other (C2C), but the role of the real estate agent remains important in France; (1) On an ancillary basis, notaries can also provide this service to clients.
Alternative matching devices	Matching the parties	Usual	<ul style="list-style-type: none"> See above; Precision on the content of real estate advertisements: There is compulsory information in case of sale of a lot of co-ownership. The announcement must also indicate the amount of the trading fee. If there is no indication, it is necessary to consider that the trading fees are borne by the seller (1).
Preliminary contract	Securing the transaction before the final contract is concluded, setting the sale conditions (immovable, price, charges and conditions). This step marks the beginning of an 'intermediary period' during which the notary performs all the necessary checks and formalities that are necessary for the	Usual	<ul style="list-style-type: none"> Estate agent or notary; If the real estate agent has found the acquirer, s/he often drafts the preliminary contract. If the notary has found the acquirer, or if the parties have met without the intermediary of a professional, then the preliminary contract will be drafted by a notary. It should be pointed out that, generally speaking, the preliminary contract is not compulsory and the intervention of a notary is not mandatory. However, the multiplication of formalities that must be carried out before the authentic act imposes it in practice; There are various preliminary contracts. The most common are i) "le compromis de vente" (or 'promesse synallagmatique de vente'), which commits both the buyer and the seller, and ii) the unilateral promise to sell (la promesse unilatérale de vente), which binds the seller, and leaves an option to the acquirer, who will decide if s/he buys; Sometimes there is no choice of the preliminary contract. For example, in the case of the sale of a land in a housing subdivision, sometimes, only the unilateral promise is admitted (Art. 442-8 et s. du C. urb);

Table 9: Main steps of the process to buy or sell a property

	signature of the sale contract.		<ul style="list-style-type: none"> • In the case of acquisition of land or building for residential use, the content of the pre-contract is strictly regulated in order to protect the acquirer. For example, if the acquirer needs a loan to finance its acquisition, the contract is concluded under condition precedent of obtaining a corresponding loan offer (2). The purchaser also has a right of withdrawal. The preliminary contract is notified to him/her by the real estate agent or the notary. Thereafter, the acquirer has a period of ten days during which s/he can change his mind. If s/he renounces the purchase, it will cost him/her nothing (3); • The seller must provide a lot of information about the condominium if the property is concerned (state of the building, accounting, financial situation, the area of the flat) (4). S/he must provide numerous documents about the property. The list depends on the nature of the property and its year of construction (for example: asbestos, lead, termites, gas, electricity, energy performance, sewers, natural risks, technological risks, etc.); • In the case of a sale of land on which a residential building is to be constructed, some information is also obligatory in the preliminary contract, in particular concerning the area. (L111-5-3 C urb.); • Upon the signature of the preliminary contract, the acquirer generally makes a security deposit. The amount of this deposit is freely negotiated (generally, from 5% to 10%). It cannot be cashed before the end of the withdrawal period, unless it is by a professional who has a guarantee for its reimbursement. The amount paid will be deducted from the sale price at the time of signature of the deed.
<p>Preliminary checks (land register, administrative permits)</p>	<p>Ensuring that the buyer knows all legal obligations and relevant features related to the property, verifying that the property characteristics are in line with what has been promised, that the property is not subject to mortgage registrations or to pre-emptive rights</p>	<p>Yes</p>	<ul style="list-style-type: none"> • Real estate agent and/or notary; • When selling a residential building, a lot of information must be provided before the preliminary contract is signed. Even if the notary has not drafted the preliminary contract, the notary will verify that all this information has been given, since s/he is responsible for the effectiveness of the deed of sale and is required to give advice. In addition, other preliminary formalities are carried out before the signature of the authentic deed (the purging of any pre-emption right, request information from the city planning department, from the syndic of co-ownership or from the land registry office...).

Table 9: Main steps of the process to buy or sell a property

Drafting the sales contract and/or deed of conveyance	Summarising the agreement of the parties, preparing a sale contract complying with the law and to the willingness of the parties, and including the necessary information (for the protection of the buyer)	Yes	<ul style="list-style-type: none"> • Notary; • The contract must be in accordance with the law and the willingness of the parties.
Legal advice or counselling	Ensuring that the transaction is valid and that the parties know about their rights and duties	Yes	<ul style="list-style-type: none"> • Notary; • The notary is responsible for the effectiveness of the deed of sale and is required to give advice (the extent of which varies depending on the type of transaction). The notary is obliged to provide impartial information to the seller and the acquirer about the obligations resulting from the sale conditions. The notary has the mission to specifically deliver, if applicable, information related to the consumer protection.
Certification of signatures	Ensuring the validity of the agreement	Yes	<ul style="list-style-type: none"> • Notary; • The notary draws up an authentic deed which is fully authentic (an authentic instrument implying probative force of public acts) and with the parties' signature.
Contract execution (transfer of payment)	Executing the contract (and securing that both parties perform their obligations)	Yes	<ul style="list-style-type: none"> • Notary; • For a plot of building land, or a building already constructed, the selling price is paid fully by the acquirer on the day of the deed. The sum will pass through the notary's accounts. The notary states in the deed that the price has been paid. S/he will then transfer the price to the seller, after deduction of certain sums, if necessary (if the seller has debts with regard to the condominium for example); • The situation is more complex when it comes to the sale of a building to be built. Fractions of the price are paid as construction progresses (VEFA).
Contract execution (transfer of property)	Executing the contract (and securing that both parties perform their obligations)	Yes	<ul style="list-style-type: none"> • Notary; • Normally, transfer of property is the consequence of the contract. In reality, this transfer is usually reported at signature of the notarial deed, due to the development of preliminary formalities; • When the sale is concluded, it is notified to certain persons: the syndic of co-ownership, the tenant;

Table 9: Main steps of the process to buy or sell a property

			<ul style="list-style-type: none"> The situation is more complex when it comes to the sale of a building to be built. Either the acquirer becomes the owner gradually or s/he becomes the owner of the whole property, retroactively when the construction is completed.
Registration	Making the transaction visible to third parties and the public	Yes	<ul style="list-style-type: none"> Notary (contact Land registry service, see above), Land Register; The notary also has the obligation to keep the contract for 75 years.
Taxation (esp. transfer tax)	Creating revenue for the state	Yes	<ul style="list-style-type: none"> Notary: calculates and collects taxes on behalf of the State (transfer taxes, registration fees, taxes on capital gains), transfers to the tax authorities the taxes paid by the buyer; Land Register.
Post-transaction controls	Securing that the contract is duly executed	Yes	<ul style="list-style-type: none"> Notary; Verification of the absence of mortgage registration or other publication between the issuance of the preliminary mortgage statement and the formalisation of publication of sale in the Land Registry. <p>(If such a registration – “inscription intercalaire” - is revealed, it is covered by the national collective insurance of notaries).</p>
Other steps	See column on the right	Yes	<p>Notary:</p> <ul style="list-style-type: none"> Fight against money laundering by declaring to TRACFIN aspects that may seem suspect; Notification to the syndic of co-ownership; Development of real estate databases.

(1) See : “La disparition de l’agent immobilier : utopies et réalités de l’intermédiation”, Fabrice Larceneux, L’état des entreprises, 2014.

(2) Art. L. 721-1 CCH

(3) Art. L. 312-2 et s. C. Cons.

(4) Art. L. 271-1 et s. CCH

(5) Art. L 721-2 CCH et s.

5.2 Sale contract and transfer of ownership

Table 10: Contract of sale and transfer of ownership

Main steps	Actors involved per intermediate step	Payment details ⁶		Typical risks associated to these steps
		Payments expressed ⁷ : • In EUR as % of total purchase price <u>and</u> • As a fixed amount if available (add if VAT applies)	When is the payment made	
Estate agent services or alternative matching devices	Real estate agent (usual) and sometimes the notary.	The amount is fixed freely, as % of total purchase price. They are extremely varied, between 3 and 10% of the sale price, all taxes included.	Signature of the notarial deed (notary).	N/A
Preliminary contract (usual)	Estate agent (if he matched the parties) or notary (usual).	Upon the signature of the preliminary contract, the acquirer generally makes a security deposit. The amount of the deposit is freely negotiated (generally, from 5% to 10%). The amount is then placed in the notaries' escrow account.	Usually, the cost of drawing up the preliminary contract is included in the estate agent's commission or the fee of the notary where the final deed of sale is signed. The amount may also be paid to the notary at the moment of the signature of the preliminary contract.	N/A

⁶ Payment shall be considered as the 'discharge of an obligation by its settlement equal to the monetary value of the debtor's obligation' while fees can be defined as 'a charge for services rendered' (Retrieved from: <http://www.investorwords.com/3634/payment.html>, <http://www.investorwords.com/1922/fee.html>). Payment, therefore, includes both the cost of the service and the fees for the service in question.

⁷ For a sale, the fees of the agencies are not regulated, so they are extremely varied, depending on the location, the surface of the property and the type of agency. Parliament wishes to set a ceiling sales subject to a favorable tax regime. See LOI n° 2017-1837 du 30 décembre 2017 de finances pour 2018, article 68.

Table 10: Contract of sale and transfer of ownership

Preliminary checks (land register, administrative permits)	<ul style="list-style-type: none"> Estate agent; Notary (mandatory for the notary); Technical expert for technical diagnostics (mandatory). 	<p>For notary: fixed emoluments for all the formalities. (Without taxes) (1)</p> <p>There is a flat rate (346,16 €) including a certain number of the necessary formalities: copy of birth certificate, cadastre, copies, extracts of act, real estate file consultation etc. (2) A certain number of formalities must be added, according to the content of the act and the property's nature (flat, house), which can lead to double that amount. For example: notification of right of first refusal ("purge du droit de préemption"): 38,46€, analysis of technical reports : 15,38€ each, etc.</p>	<p>At the signature of the notarial deed</p>	<p>N/A</p>
Drafting the sales contract and/or deed of conveyance	<p>Notary (mandatory)</p>	<p>Proportional emoluments fixed by decree (Arrêté du 26 février 2016, fixant les tarifs réglementés des notaires, JORF n°0050 du 28 février 2016) :</p> <ul style="list-style-type: none"> From 0 to 6500€ : 3,945%; From 6 500 € to 17 000 € : 1,627 %; From 17 000 € to 60 000 € : 1,085 %; More than 60 000 € : 0,814 %; Fees without taxes (VAT 20%). Discount strictly regulated; The sum of the fees for drafting the sales contract cannot exceed 10% of the value of this property, but it cannot be less than 90 € (5). 	<ul style="list-style-type: none"> Signature of the notarial deed; Before signing the contract for which s/he is responsible, the notary must claim the payment of a sum sufficient for the payment of costs, fees, disbursements and fees (4). 	<p>N/A</p>

Table 10: Contract of sale and transfer of ownership				
Legal advice or counselling	Notary (mandatory)	Included in the notary's fee for drafting the sales contract, because the notary has a duty of advice when s/he drafts a contract.	The purchaser pays notary's fee and the amount of the taxes on the day of the deed.	N/A
Certification of signatures	Notary (mandatory)	Included in the notary's fee for drafting the sales contract because the notary draws up an authentic deed.		N/A
Contract execution (transfer of payment and registration; transfer of property)	Notary (mandatory)	Included in the notary's fee.		N/A
Registration in land register or similar device	Notary, Land Register (mandatory)	0,10% of the sale price or the value of the property as indicated on the contract.		N/A
Taxation (esp. transfer tax)	Notary (mandatory)	5,807% for the sale of residential real estate or 0,715% of the sale price (excluding taxes) for sales before completion.		The purchaser pays the amount of the taxes on the day of the deed, then the notary pays the taxes to the tax authorities (for the amount of taxes, see below)

▲ Information on the legal position of a tenant occupying the dwelling to be sold. In particular: Does the rule *emptio non tollit locatum* apply?

Usually, the tenant is not affected by the sale. The buyer succeeds in the seller's duties and the contract continues with the buyer. Under Article 1743 of the Civil Code, the lease is enforceable against the acquirer. To avoid any dispute, it is necessary to indicate in the contract of sale that there is a contract of lease in progress. The tenant has the same obligations to the new owner, but subrogation is only for the future. It is not mandatory to inform the tenant of the change of ownership but in practice it is necessary to do so. The rules specific to the lease of dwellings provide that the return of the deposit of guarantee belongs to the one who owns the dwelling at the end of the lease. It is preferable to solve this problem in the sales contract.

If the seller wants to sell the dwelling without a tenant occupying it, there is a protection for the tenant. The seller must give notice to the tenant six months before the term of the lease in progress. At this time, the owner must make an offer to the tenant, so the latter can buy the housing if s/he wants to. The tenant has a certain time to answer.

There is also some protection if an owner has purchased an occupied dwelling and, then, want to give notice to his tenant. The new owner must wait a certain time before being able to give notice to the existing tenant.

5.3 Professional services performed in the real estate market related to buying and selling a property

Table 11: Professional services performed in the real estate market related to buying and selling a property

Services in the real estate market	Minimum standards for information provided by law	Service providers involved	Quality of involvement (mandatory, optional)	Fees expressed: • In EUR as % of total purchase price <u>and</u> • As a fixed amount (if available)
Estate agent services or alternative matching devices	<p>The seller must provide a lot of information about the condominium if the property is concerned (state of the building, accounting, financial situation, the area of the flat) (4). S/he must provide numerous documents about the property. The list depends on the nature of the property and its year of construction (for example: asbestos, lead, termites, gas, electricity, energy performance, sewers, natural risks, technological risks, etc.)</p> <p>In the case of a sale of land on which a residential building is to be constructed, some information is also obligatory in the preliminary contract, in particular concerning the area. (L111-5-3 C urb.)</p>	<ul style="list-style-type: none"> 68% of real estate transactions would be carried out through a real estate agent. Agent services are not always used. Often, the parties negotiate directly after they have met through advertisements published by the seller on the internet or in newspapers. This allows them to save costs for the fees; 	Optional	<ul style="list-style-type: none"> Fees are freely determined; The contract entitling the agent to look for an acquirer indicates who pays the negotiation fee. The real estate ads must indicate the amount of the trading fees. If there is no indication, it is necessary to consider that the trading fees are borne by the seller.

Table 11: Professional services performed in the real estate market related to buying and selling a property

		<ul style="list-style-type: none"> • A number of online services have recently been developed to allow customers to interact with each other (C2C), but the role of the real estate agent remains important in France; (1) • On an ancillary basis, notaries can also provide this service to clients. 		
Provision of mandatory information before the start of the transaction		Estate agent/ notary	Optional but usual	See above table 10
Preliminary contract (usual)		Estate agent/ notary	<ul style="list-style-type: none"> • Preliminary contract is optional. In reality, it is systematic; • The intervention of a professional is optional but usual. 	
Preliminary checks		Notary	Mandatory	

Table 11: Professional services performed in the real estate market related to buying and selling a property

Drafting the sales contract and/or deed of conveyance		Notary	Mandatory	
Legal advice or counselling		Notary	Mandatory	
Certification of signatures		Notary	Mandatory	
Contract execution (transfer of payment; transfer of property)		Notary	Mandatory	
Registration in land register or similar device		Notary Land Register	Mandatory.	
Taxation (esp. transfer tax)		Notary Land Register	Mandatory.	

5.4 Creating a Mortgage

Table 12: Mortgage requirements

Main steps to create a mortgage	Actors/institutions involved	Minimum standards for information	Additional requirements for consumer mortgages	Fees expressed: • In EUR as % of total purchase price <u>and</u> • As a fixed amount (if available)	Typical risks associated to these steps
Conclusion of credit and mortgage agreement with lender (bank)	<ul style="list-style-type: none"> • Bank, broker, notary; • If the bank asks a lender's privilege ("Privilège de prêteur de deniers") or a mortgage, the loan must be drawn up by a notary. 	<ul style="list-style-type: none"> • The bank must use the FISE (fiche d'information standardisée européenne) to deliver clear information about the loan to the consumer; • The borrower must be informed that s/he can choose the insurance guaranteeing the repayment of the loan. 	<ul style="list-style-type: none"> • If the acquirer of a housing property needs a loan, obtaining loan approval is a compulsory suspensive condition. The acquirer benefits of a minimum period of one month to obtain a «loan offer» after the signature of the preliminary contract; • S/he may waive this condition. For greater security, the waiver must be clear and must be handwritten; 	<p>If the loan is drawn up by a notary:</p> <ul style="list-style-type: none"> • For a loan from 0 to 6 500 € : 1,315 %; • From 6 500 € to 17 000 € : 0,542 %; • From 17 000 € to 60 000 € : 0,362 %; • More than : 60 000 € : 0,271 %. <p>(Proportional emoluments fixed by "arrêté du 26 février 2016 fixant les tarifs réglementés des notaires")</p> <ul style="list-style-type: none"> • In addition, there are fees for formalities such as drafting the document necessary to publish mortgage at the land registry office: 7,69€. • There are also taxes, collected by the notary. 	<p>If the notary realizes that reconsideration period has not been respected, or that some information is missing in the offer, s/he will refuse to conclude the loan which will delay the sale.</p>

Table 12: Mortgage requirements

			<ul style="list-style-type: none"> • The loan offer must be maintained during 30 days; • The acquirer can only accept an offer after a reconsideration period of 10 days. 		
<p>Insertion of mortgage in the land register, usually at first rank</p>	<p>Notary completes the formalities to published mortgage at the land registry office</p>	N/A	N/A	<p>0,05% of the amount of the registration</p> <p>+ 0,715% in case of a mortgage established outside the context of a sale of property (in this case, lender's lien, exempt from the tax).</p> <p>The fees for this step are included in the notary's fees but there are some additional fees for formalities. For notary: fixed emoluments for some formalities : request for publication: (19,23€ without taxes)</p>	N/A

Table 12: Mortgage requirements

<p>Credit sum paid to mortgagor (buyer) or seller</p>	<ul style="list-style-type: none"> • Generally, all the sums for the purchase go through bank accounts opened at the notary's office, on the behalf of clients; • If there is a lender's lien ("privilege de prêteur de deniers", a financial guarantee possible if the loan is for the acquisition of property), the loan deed must mention that the sum is borrowed for the acquisition of the property and the deed of sale must mention that the seller has been paid with the loan. 	<p>N/A</p>	<p>N/A</p>	<p>N/A</p>	<p>N/A</p>
--	--	------------	------------	------------	------------

L. n°2008-3, 3 janv. 2008 pour le développement de la concurrence au service des consommateurs ; L. n°2010-737, 1er juill. 2010 portant réforme du crédit à la consommation ; L. n°2011-331, 28 mars 2011 de modernisation des professions judiciaires ou juridiques et certaines professions réglementées ; L. n°2013-672, 26 juin 2013 de séparation et de régulation des activités bancaires ; L. n°2014-344, 17 mars 2014 relative à la consommation ; Ord. 2016-351, 25 mars 2016 et Décret 2016-607 du 13 mai 2016 sur les contrats de crédit aux consommateurs relatifs aux biens immobiliers à usage d'habitation (Implementation directive 2014/17/UE du 4 février 2014)

6. The process to rent or let a property

6.1 Main steps in the transaction process to rent and let a property

Table 13: Main steps of the process to rent and let a property	
Main steps	Process involved⁸
Finding and matching landlords and tenants	Tenant can deal directly with the landlord (contact via advertisement in newspaper and website). Tenants often address themselves to estate agents and sometimes notaries.
Information search by landlords or tenants	Tenant gives the information to the estate agent or the notary (or to the landlord if s/he deals directly with him) A list of documents that may be requested had been established by the law: D. n° 2015-1437, 5 nov. 2015 : JO 24 nov. 2015
Inspection of the property by tenants	Inspection by the tenant and the landlord (or their representative). The inspection leads to the drafting of a document, the inventory upon arrival ("l'état des lieux"). This document can be completed during 10 days (1).
Delivery of mandatory information to tenants prior to the conclusion of the contract	The landlord must supply a document called "dossier de diagnostic technique". It includes: an energy performance certificate (2), and, when appropriate, a certificate to identify risk of lead or asbestos exposure (3) a condition report regarding the electrical and gas installation and a report about the natural and technological risks (4). Some rules are different when it comes to a furnished rental.
Delivery of energy performance certificate to tenant	Document delivered by the landlord or his/her representative before the signature (included in the "dossier de diagnostic technique")
Provision of additional guarantees to landlord	<ul style="list-style-type: none"> • The landlord can ask for a deposit corresponding to one month of rent, in case the tenant causes damages; • For the payment of rents, the landlord can ask a personal guarantee from a bank or the tenant's relatives, except if the landlord already got an insurance covering overdue rent. If a relative acts as guarantor, s/he must be informed of the risks. For higher security, this engagement must be handwritten (5).
Conclusion of the contract in the usual form	The contract must be written and must comply with L. n° 89-462, 6 juill. 1989, art. 3. A document with legal information must be annexed (L. n° 89-4626 juill. 1989, art. 3, al. 14; Arrêté du 29 mai 2015).

⁸ Explain more precisely to what extent each step is relevant and how the step is performed

Table 13: Main steps of the process to rent and let a property

Rent payment and deposit (e.g. bank account)	<ul style="list-style-type: none"> No specific rules. Rent payment and deposit can be made directly to the landlord; It is forbidden to impose certain methods of payment, such as payment by direct debit on the tenant's current account, or payment by payroll deduction.
Registration of the contract in the land register (e.g. excluded, optional or mandatory)	No

- (1) This document must be in compliance with “décret n° 2016-382 du 30 mars 2016 fixant les modalités d'établissement de l'état des lieux et de prise en compte de la vétusté des logements loués à usage de résidence principale”.
- (2) L. 134-1 du Code de la construction et de l'habitation
- (3) L. 1334-5 et L. 1334-7 du Code de la santé publique
- (4) Art 22 Loi n° 89-462 du 6 juillet 1989

6.2 Rent contract

Table 14: Rent contract

Main steps	Actors involved per intermediate step	Payment details ⁹		Typical risks associated to these steps
		Payments expressed : <ul style="list-style-type: none"> In EUR as % of total purchase price <u>and</u> As a fixed amount if available (add if VAT applies) 	When is the payment made	
Finding and matching the parties	Landlord/tenant or Estate agent or Notary	<ul style="list-style-type: none"> Estate agent fees are freely determined. They are paid by the landlord (1); For rental housing, rental fees are born by the owner, with the exception of the visit of housing, the constitution of the file, the drafting of the contract, the housing inspection (“état des lieux”). For these four services, the fees are shared equally between the lessor and the tenant. (See below); 	The signature	N/A

⁹ Payment shall be considered as the ‘discharge of an obligation by its settlement equal to the monetary value of the debtor’s obligation’ while fees can be defined as ‘a charge for services rendered’ (Retrieved from: <http://www.investorwords.com/3634/payment.html>, <http://www.investorwords.com/1922/fee.html>). Payment, therefore, includes both the cost of the service and the fees for the service in question.

Table 14: Rent contract

		<ul style="list-style-type: none"> For these four services, there is a maximum price. It depends if the housing is in an area where housing demand is high or not; In areas with very high demand, the price is 12 € per square metre (Tax included). In areas with high demand, the price is 10 € per square metre (Tax included). In the rest of the country, the price is 8 € per square metre. In addition, 3 € per square metre are added for the inspection. (2) 		
Information search by landlord on tenant	Landlord/tenant or Estate agent or Notary	If it is a professional: fees for compiling the file are supported by the landlord and the tenant and are strictly regulated (2) See amount above.	At the signature	N/A
Inspection of the property by tenant	Landlord/tenant or Estate agent or Notary	If it is a real estate agent: fees are strictly regulated. (2) See amount above; supported by the landlord and the tenant	At the signature	N/A
Delivery of mandatory information to tenant prior to the conclusion of the contract	Landlord/tenant or Estate agent or Notary	The technical expert is paid by the landlord		N/A
Delivery of energy performance certificate to tenant	Landlord/tenant or Estate agent or Notary	<ul style="list-style-type: none"> The technical expert is paid by the landlord. Fees are freely determined; Depends on the nature of the property. From 150 to 400€. Some of these reports have a limited validity period (from several months to several years). 		N/A
Conclusion of the contract in the usual form	Landlord/tenant or Estate agent or Notary	<ul style="list-style-type: none"> Estate agent fees for conclusion of the contract: strictly regulated and depends of the geographical situation (2) Supported by the landlord and the tenant. See amount above; Notary fees: 50% of one month's rent (3). 	Payment at signature	N/A

Table 14: Rent contract

Rent payment and deposit	The payment may be sent to the owner or to an agent as provided in the contract.	<ul style="list-style-type: none"> • Except for the services mentioned above, rental fees are born by the owner. Rent receipts must be given free of charge to the tenant. In the same way, the refund of the deposit of guarantee cannot be invoiced to the tenant at the end of the contract; • For the payment of the rent and deposit payment, the conditions are determined by the contract. It is forbidden to impose certain methods of payment, such as payment by direct debit on the tenant's current account, or payment by payroll deduction. The clause that automatically condemns the tenant to pay a certain amount to the owner in case of default is also prohibited.(4) 		N/A
Registration of the contract in the land register or other device	Excluded for a normal rent			N/A

There are different types of rent contract. Only dwelling leases concern consumer. A different law applies to professional lease.

(1) Art. 5 Loi n° 89-462 du 6 juillet 1989

(2) Décret n° 2014-890 du 1er août 2014 relatif au plafonnement des honoraires imputables aux locataires et aux modalités de transmission de certaines informations par les professionnels de l'immobilier

Arrêté du 22 décembre 2010 pris pour l'application de l'article 2 terdecies B de l'annexe III au code général des impôts et relatif au classement des communes en zone A bis

(3) Arrêté du 26 février 2016 fixant les tarifs réglementés des notaires

(4) Art. 4 Loi n° 89-462 du 6 juillet 1989

6.3 Professional services performed in the real estate market related to renting and letting a property

Table 15: Professional services performed in the real estate market related to renting and letting a property													
Services in the real estate market	Minimum standards for information provided by law	Service providers involved	Quality of involvement	Fees expressed: • In EUR as % of total purchase price <u>and</u> • As a fixed amount (if available)									
Finding and matching landlords and tenants	<ul style="list-style-type: none"> • See above table 13; • Tenant gives the information to the estate agent or the notary (or to the landlord if s/he deals directly with him/her). A list of documents that may be requested had been established by the law: D. n° 2015-1437, 5 nov. 2015 : JO 24 nov. 2015 	Landlord/tenant or Estate agent or Notary	Optional	See above table 14									
Information search by landlords or tenants					Inspection of the property by tenants	Inspection by the tenant and the landlord (or their representative). The inspection leads to the drafting of a document, the inventory upon arrival ("l'état des lieux"). This document can be completed during 10 days (1).	Landlord/tenant or Estate agent or Notary	Optional	Delivery of mandatory information to tenants prior to the conclusion of the contract	The landlord must supply a document called "dossier de diagnostic technique". It includes: an energy performance certificate (2), and, when appropriate, a certificate to identify risk of lead or asbestos exposure (3) a condition report regarding the electrical and gas installation and a report about the natural and technological risks (4). Some rules are different when it comes to a furnished rental.	Landlord/tenant or Estate agent or Notary	Optional	Conclusion of the contract in the usual form
Inspection of the property by tenants	Inspection by the tenant and the landlord (or their representative). The inspection leads to the drafting of a document, the inventory upon arrival ("l'état des lieux"). This document can be completed during 10 days (1).	Landlord/tenant or Estate agent or Notary	Optional										
Delivery of mandatory information to tenants prior to the conclusion of the contract	The landlord must supply a document called "dossier de diagnostic technique". It includes: an energy performance certificate (2), and, when appropriate, a certificate to identify risk of lead or asbestos exposure (3) a condition report regarding the electrical and gas installation and a report about the natural and technological risks (4). Some rules are different when it comes to a furnished rental.	Landlord/tenant or Estate agent or Notary	Optional										
Conclusion of the contract in the usual form	N/A	Landlord/tenant or Estate agent or Notary											

Table 15: Professional services performed in the real estate market related to renting and letting a property

Rent payment and deposit	N/A	Rent payment and deposit can be made directly to the landlord, or to an agent.		
Registration of the contract in the land register	N/A	N/A	Excluded for a normal rent	

7. Professional services regulation: notaries

7.1 Market entry and structure regulation

Table 16: Market entry and structure regulation

	Regulation	
Subjective requirements	<i>Qualifications (diplomas, exams, concours) required to become a notary in your country:</i>	<p>To become a notary, three different pathways are possible¹⁰:</p> <ul style="list-style-type: none"> • University path; • Professional path; • Internal path. <p>In terms of qualification requirements, it is necessary to study at least two more years after the completion of a master degree at university. The student then alternates periods of professional internship and periods of course.</p> <p>Qualification delivered by university (Diplome supérieur du notariat), or qualification delivered by the Centre National de l'Enseignement Professionnel Notarial (1).</p>
Objective requirements	<i>Do numerus clauses and other objective requirements exist?</i>	<p>The location of an office was strictly regulated, so the notaries' number was limited. Nevertheless, this number is expected to increase significantly in the coming years, with the "LOI n° 2015-990 du 6 août 2015 pour la croissance, l'activité et l'égalité des chances économiques" since this legislation allows the creation of new offices without competitive examinations.</p> <p>Currently, there is no numerus clausus for notaries. There is a system of regulation of the number of studies that is established by the Ministry of Justice and the Competition authority to ensure an efficient territorial coverage. This allows citizens to have access to the legal public service.</p>
Citizenship requirements	<i>Are foreign candidates admitted de iure and also de facto under the same conditions as nationals?</i>	<p>The requirement to be of French nationality for admission to the profession of notary had been suppressed. It is now necessary to hold the nationality of a Member State of the European Union or of another State party to the Agreement on the European Economic Area (2)</p>

¹⁰ Notaires de France. 'Devenir notaire'. Available at: <https://www.notaires.fr/fr/formations-metiers-notariat/devenir-n-otaire#formations>

Table 16: Market entry and structure regulation

Inter-professional cooperation	<i>Are forms of collaboration between notaries and other professionals allowed and usual?</i>	Inter-professional cooperation is possible. However, these forms of collaboration are not usual but this situation will probably evolve with a recent reform, allowing new forms of association for the joint exercise of nine professions, including notary, lawyer or accounting experts (3)
Business structure	<i>Are notary associations/corporations allowed?</i>	These corporations are allowed and usual. Several notaries work within one single office with a corporate structure.
Geographical limitations	<i>Are there limitations with respect to the area in which the notary can exercise his/her activities (e.g. at the regional or municipal level)?</i>	There are no limitations with respect to the area in which the notary can exercise the activity. Generally, the notary can perform the services in the whole country, (France Métropole et DOM) (5).
	<i>Are these limitation restricted to specific tasks?</i>	There are some exceptions (For example for the first sale of a property)(6).

(1) Décret n° 2013-215 du 13 mars 2013

(2) Décret n° 2011-1309 du 17 octobre 2011 relatif aux conditions d'accès aux fonctions de notaire

(3) - L. 28 mars 2011 with "SPFPL pluri-professionnelles"

- Ordonnance n° 2016-394 du 31 mars 2016 with "Sociétés pluri-professionnelles d'exercice".

(4) Décret n° 71-942 du 26 novembre 1971, Art. 8.

(5) Décret n°71-942 du 26 novembre 1971, Art. 10.

7.2 Market conduct regulation

Table 17: Market conduct regulation

	Regulation	
Exclusive rights	<i>Specify for which transactions or parts of them only notaries may act against payment.</i>	<p>The involvement of notaries is mandatory for the sale of real estate <i>ad validitatem</i> (for example in case of sale before completion) or to allow the publication of the deed in the Land Registry.</p> <p>The notary must draw up the contract of sale. It is a mandatory involvement (sometimes for the validity of the contract, generally for its registration). In addition, loans backed by a conventional mortgage on a property located in France (or lender's privilege) must be recorded in notarial form <i>ad validitatem</i>.</p> <p>The notary must draft the loan contract if there is a mortgage. S/he carries out the formalities with the Land Registry Service. Only authentic deeds received by a notary or an administrative authority, and jurisdictional decisions may be published in the Land Registry in France.</p>
Duty to provide services	<i>Are notaries allowed to refuse a request to act?</i>	<p>Notaries are not allowed to refuse a request to act: L. 25 Ventôse An XI, art. 3; Ord. n° 45-2590, 2 nov. 1945, art. 1.</p> <p>Nonetheless, notaries must refuse a request to act :</p> <ul style="list-style-type: none"> • If the proposed act is contrary to ordre public or morality; • In case of inability of one of the parties; • If the notary knows the situation of third parties whose rights could be adversely affected by the act.
Professional standards	<i>How are professional standards regulated? What are the tasks of the professional representation (e.g. Chamber of Notaries) in this context?</i>	<p>Mandatory annual inspections.</p> <p>The profession is characterized by its highly structured organization. There is a Chamber of Notaries in each department. These chambers have regulatory and disciplinary powers, but it is the regional councils that will punish the culprits (1). The High Council of Notaries represents the profession before the public authorities.</p> <p>Through mandatory annual inspections, the chambers of notaries (and the public prosecutor) check the conformity of the acts and the processing of files in relation to legal provisions and to the applicable regulations as well as in relation to the applicable deontology and professional rules.</p>

Table 17: Market conduct regulation

Mandatory intervention	<i>Is the intervention of a notary required for the registration procedure?</i>	Yes. For land registration, see above, table 8
Compulsory indemnity insurance	<i>Is indemnity insurance compulsory?</i>	<p>Notaries must hold liability insurance (2). The insurance contract is subscribed at the national level by the Conseil supérieur du notariat. All the members of the profession must adhere to it. In addition there is also a joint and several liability between all French notaries to cover all the risks :</p> <ul style="list-style-type: none"> • The Regional Guarantee Fund whose financial resources are provided by contributions borne by notaries depending on the region in question; • The Central Guarantee Fund, financed from subscriptions paid by the notaries in France (3). <p>Thus, in the event of damage caused to a client by a notary, when executing his/her professional duties, the financial coverage of this damage is supported:</p> <ul style="list-style-type: none"> • By the company insuring the risk of professional liability; • And if necessary, by the Regional Guarantee Fund; • Finally, and always if necessary, by the National Guarantee Fund; • As a last resort, by all the notaries of France.
Continuing education	<i>Do forms of continuing education exist?</i>	<ul style="list-style-type: none"> • Continuing education exists and is mandatory (Thirty hours per year) (4); • Only collective advertisements organised by ordinal authorities are allowed.
Advertising restrictions	<i>Are there limitations on advertising?</i>	A notary is not allowed to advertise for her/himself.(5)
Fee regulation	<i>Notarial fees</i>	There are proportional and fixed emoluments, fixed by public authorities for a lot of deed and formalities (Arrêté du 26 février 2016, fixant les tarifs réglementés des notaires, JORF n°0050 du 28 février 2016). Discounts are strictly regulated. The fees are generally payed by the buyer. They are shared between the landlord and the tenant. For some deeds, the payment is freely agreed between the French notaire and his/her client (for example commercial leases, or real estate bargaining).

(1) Ord. n° 45-2590, 2 nov. 1945, art. 5-1

(2) D. n° 55-604 du 20 mai 1955 art. 13

(3) D. n° 55-604, 20 mai 1955, art. 12

(4) Ord. n° 45-2590, 2 nov. 1945, art. 1 quarter ; D. n° 2011-1230, 3 oct. 2011

(5) Règlement national des notaires, Art. 4.4.1

8. Professional services regulation: lawyers or other licensed conveyancers (only relevant if legally admitted to perform real estate transactions and/or to assist the conclusion of tenancy agreements)

8.1 Market entry and structure regulation

Table 18: Market entry and structure regulation

	Regulation	
Subjective requirements	<i>Conditions (diplomas, exams, concours) required to become a lawyer in your country.</i>	The profession of lawyer is a regulated profession accessible to the holders of the certificate of competence to the profession of lawyer (CAPA) except special cases.
Objective requirements	<i>Do numerus clauses and other objective requirements exist?</i>	No
Citizenship requirements	<i>Are foreign candidates admitted de iure and also de facto under the same conditions as nationals?</i>	Yes, under certain conditions (D. n° 91-1197 du 27 novembre 1991, art 99).
Inter-professional cooperation	<i>Are forms of collaboration between lawyers and other professionals allowed and usual?</i>	These forms of collaboration should soon be developed. (see above table 16).
Business structure	<i>Are lawyer associations/corporations allowed?</i>	Yes
Geographical limitations	<i>Are there limitations with respect to the area in which the lawyer can exercise his/her activities (e.g. at the regional or municipal level)?</i>	Yes (L. n° 71-1130 du 31 décembre 1971 portant réforme de certaines professions judiciaires et juridiques, Art. 5).
	<i>Are these limitation restricted to specific tasks?</i>	Yes: to represent the client in court (procedural matter).

8.2 Market conduct regulation

Table 19: Market conduct regulation		
	Regulation	
Exclusive rights	<i>Transactions or parts of them only lawyers may act against payment</i>	No, lawyers have no exclusive rights in this matter.
Neutrality	<i>Is the lawyer allowed to act on behalf of both parties involved in the transaction? In this case, what type of fees apply and which party has to bear them?</i>	Fees are set in agreement with the customer (Loi n° 71-1130 du 31 décembre 1971 portant réforme de certaines professions judiciaires et juridiques, Art. 10).
Duty to provide services	<i>Are lawyers allowed to refuse a request to act?</i>	Lawyers are allowed to refuse a request to act.
Professional standards	<i>How are professional standards regulated?</i>	The profession is structured. The Disciplinary Board may impose sanctions against a lawyer.
Compulsory indemnity insurance	<i>Is indemnity insurance compulsory?</i>	Lawyers must have liability insurance, and insurance to guarantee their client's money. (Loi n° 71-1130 du 31 décembre 1971 portant réforme de certaines professions judiciaires et juridiques).
Continuing education	<i>Do forms of continuing education exist? If yes, is continuing education mandatory?</i>	Continuing education is mandatory (20H per year).
Advertising restrictions	<i>Are there limitations on advertising?</i>	Advertising is permitted
Fee regulation	<i>Lawyer fees.</i>	Fees are set in agreement with the customer (Loi n° 71-1130 du 31 décembre 1971 portant réforme de certaines professions judiciaires et juridiques, Art. 10).

9. Professional services regulation: estate agents

9.1 Market entry and structure regulation

Table 20: Market entry and structure regulation

	Regulation	
Subjective requirements	<p><i>Qualifications (level and duration of education and training, diplomas, exams, traineeships or professional experience requirements, concours) required to become an estate agent in your country. Other access requirements for a professional (such as compulsory membership in professional bodies/compulsory registration, minimum age requirements, clean criminal record, etc.)</i></p>	<p>You have to meet several conditions to get the estate agent card :</p> <ul style="list-style-type: none"> • To justify a professional aptitude, either by the possession of certain diplomas (licence in Law in economics or commerce, or BTS real estate, graduate from ESPI...) or by professional experience; • Provide financial security for the repayment of funds if they hold funds for their clients; • Provide professional liability insurance; • Not be punished for certain offenses (1). <p>It is the Chambers of Commerce and Industries that issue the professional card.</p> <p>The holder of the professional card is required to affix, in all the places where the customer is received, a poster indicating the number of the professional card, the amount of the financial guarantee, the denomination and the address of the guarantor or the consignee.</p> <p>The exercise of the activity of real estate agent without holding the professional card is punishable by six months of imprisonment and a fine of € 7,500 (Loi du 2 janvier 1970, n°. 70-9, art. 14).</p>
Objective requirements	<p><i>Do numerus clauses and other objective requirements exist?</i></p>	<p>See above.</p>
Licence requirements	<p><i>Are estate agents licenced or do they work as employees?</i></p>	<p>The majority of real estate agencies have employees. These negotiators are also subject to certain obligations to obtain a certificate of employment: continuing education or not be punished for certain offenses. Sometimes, the negotiator is not an employee but is him/herself employed as a commercial agent (2). S/he must then enjoy a real autonomy. The commercial agent is paid only on commission. S/he works in the name and on behalf of the holder of the real estate professional card. The latter can be either a network or a local agent. Without "showcases", these new networks offer resources (training, legal advice ...) for teams of independent commercial agents. These networks have lower costs and, generally, lower commissions. It is a new form of concurrency for traditional estate agent (3).</p>

Table 20: Market entry and structure regulation

Citizenship requirements	<i>Is unlimited access to the profession granted to foreign professionals de iure and de facto?</i>	<ul style="list-style-type: none"> • Yes. Nationals of the Member States must fulfil the conditions of capacity to obtain the professional card: diploma or experience acquired in another state (see above). For recognition of professional experience acquired in a member state: D. n° 72-678, 20 juill. 1972, Art 16) (4) ; • A sufficient knowledge of the French language is required (art. 16-3 D. n° 72-678 du 20 juillet 1972).
Inter-professional cooperation	<i>Are estate agents allowed to exercise another profession or business activity? Is inter-professional cooperation regulated?</i>	<ul style="list-style-type: none"> • Yes, estate agents are allowed to have other activities and to extend their activities beyond the activity of representing a buyer or a seller in a real estate transaction; • These activities may be related to tourism (5), legal advice activities (6), or real estate appraisals and expertise.
Business structure	<i>Share of estate agent acting as sole practitioners and as companies (if data are available)? Can the agent be employed by another agent or establish a partnership with other agents? Are there any restrictions on the corporate structure of a real estate enterprise (such as voting rights reserved to qualified members of a profession, shareholding requirements etc.)?</i>	<ul style="list-style-type: none"> • The real estate agent can operate without a specific structure, as sole practitioners (“entreprise individuelle”); • S/he can also opt for a company. The real estate agent has the choice between numerous corporate structures. The choice will depend, for example, on the size of the company and on the will to limit the risks. The following can be mentioned: SARL (Société à Responsabilité Limitée) quite frequent, EURL (Entreprise unipersonnelle à responsabilité limitée), SA (Société Anonyme) ; • When the estate agent card is issued to a company, the latter must fulfil the conditions of guarantee and insurance. The representatives of the company must fulfil the conditions of professional competence, for example, all the directors (“gérants”) of a SARL; • Sometimes, the negotiator is not an employee but is self employed as a commercial agent (see above).
Geographical limitations	<p><i>Are there limitations with respect to the area in which the estate agent can exercise his/her activities (e.g. at the regional or municipal level)?</i></p> <ul style="list-style-type: none"> • <i>Are these limitation restricted to specific tasks?</i> 	There is no geographical limitation.

- (1) Loi n° 70-9 du 2 janvier 1970 réglementant les conditions d'exercice des activités relatives à certaines opérations portant sur les immeubles et les fonds de commerce, art 3.
 (2) L. 134-1 C. Com
 (3) http://www.lemonde.fr/economie/article/2017/07/17/immobilier-la-guerre-des-mandataires_5161524_3234.html
 See : "Quelle place pour l'intermédiation immobilière aujourd'hui ? Premiers résultats d'une enquête sur la cyber-intermédiation immobilière à l'heure d'internet", 2012, Fabrice Larceneux
<https://basepub.dauphine.fr/bitstream/handle/123456789/13918/Etude-Universitaire.pdf?sequence=1&isAllowed=y>
 (4) Decret n°93-1993 du 9 février 1993.
 Proofs to be provided listed here : A. du 13 octobre 1993, JO 24 nov. 1993, p. 16174
 (5) L. 211-1 du Code du tourisme
 (6) Art. 59 de la loi n°71-1130 du 31 décembre 1971

9.2 Market conduct regulation

Table 21: Market conduct regulation

	Regulation	
Neutrality	<i>Is neutrality regulated? Is the agent allowed to act on behalf of both parties involved in the transaction? In this case, what type of fees applies and which party bears these?</i>	<ul style="list-style-type: none"> • The real estate agent must act in accordance with its mandate and is duty-bound to advise both parties; • The fees are freely agreed between estate agent and the client. The contract entitling the agent to look for an acquirer indicates who pays the negotiation fee; • More generally, the content of the contract is strictly regulated. It must also be written and indicated in a register. The real estate agent cannot act without a contract in accordance with the law. If s/he does so, s/he cannot claim any remuneration (1).
Professional standards	<i>How are professional standards regulated? Are entities or associations ensuring the professional representation and respect of rules of good practice?</i>	<ul style="list-style-type: none"> • There are syndicates (FNAIM, Unis...); • The National council of Management and Real Estate Transaction ("Conseil national de la transaction et de la gestion immobilières: CNTGI") is responsible for establishing ethical rules for professionals in the sector (2). A code of ethics has been adopted (3).
Compulsory indemnity insurance	<i>Is indemnity insurance compulsory for estate agents?</i>	Estate agent must provide professional liability insurance. The object of compulsory insurance is the financial consequences of the liability that the intermediary may incur in carrying out his/her activity as a result of errors, omissions or negligence committed not only by the insured but also by employees or servants, or because of the loss or destruction of documents or documents entrusted to one of these persons. To ensure their usefulness, these contracts must not include a guarantee limit of less than € 76,224.51 per year for the same insured. They must not leave the insured person liable for more than 10% of the compensation due (4). These imposed conditions are, however, only minimal conditions. The real estate agent will often opt for a larger guarantee.

Table 21: Market conduct regulation		
Continuing education	<i>Do forms of continuing education exist?</i>	Continuing education is mandatory, 14h per year or 42h in three years (5).
Advertising restrictions	<i>Are there limitations on advertising?</i>	No
Fee regulation	<i>Real estate agent's fee system</i>	<ul style="list-style-type: none"> • The fees are freely agreed between estate agent and his client. The contract entitling the agent to look for an acquirer indicates who pays the negotiation fee; • For the conclusion of the lease there is maximum amount.
Compulsory membership in professional bodies/compulsory registration	<i>Is membership in professional bodies compulsory? If so, what are the membership conditions and the membership fees? Does the professional body have a supervisory or another important regulatory role?</i>	The CNTG (see above) has the power to impose disciplinary sanctions.

(1) L. 2014-366, 24 mars 2014, art. 24.

(2) D. n° 2015-1090 du 28 août 2015 fixant les règles constituant le code de déontologie applicable à certaines personnes exerçant les activités de transaction et de gestion des immeubles et des fonds de commerce

(3) D. n° 2016-173 du 18 février 2016 relatif à la formation continue des professionnels de l'immobilier

(4) A. 1 Sept. 1972, art 1.

(5) D. n° 2016-173 du 18 février 2016 relatif à la formation continue des professionnels de l'immobilier

10. The real estate market

10.1 Transaction costs for sample transactions

Table 22: Transaction costs VAT excluded						
	Estate agent ¹¹	Technical services (if usual)	Legal services ¹²	Land register fee	Transfer tax/stamp duty	Total usual transfer costs
€100,000 sales price (no mortgage)	<ul style="list-style-type: none"> Generally, from 3 to 9%; If 4%: 4000. 	<ul style="list-style-type: none"> Technical diagnostics: depends on the nature of the property sold; 	Notary (1) 2069 €	0,10% of the sale price or the value of the property as indicated on the contract.	5907 € (transfer tax for buildings constructed more than five years ago + Property security contribution).	12776€
€100,000 sales price + 100.000€ mortgage (lender's privilege)		<ul style="list-style-type: none"> Between 400€ and 1000€. 	Notary (1) 2625 €		5967 € (transfer tax for buildings constructed more than five years ago + Property security contribution).	13392€
€250,000 sales price (no mortgage)	<ul style="list-style-type: none"> Generally, from 3 to 9%; If 4%: 10 000. 	<ul style="list-style-type: none"> Technical diagnostics: depends on the nature of the property sold; 	Notary (1) 3 290 €		14767 € (transfer tax for buildings constructed more than five years ago + Property security contribution).	29007€
€250,000 sales price + 250,000€ mortgage (lender's privilege)		<ul style="list-style-type: none"> Between 400€ and 1000€. 	Notary (1) 4 253 €		14917 € (transfer tax for buildings constructed more than five years ago + Property security contribution).	30120€

¹¹ An agent usually receives a percentage of the transaction value.

¹² <https://www.notaires.fr/fr/les-frais-dacquisition>

Table 22: Transaction costs VAT excluded

€500,000 sales price (no mortgage)	<ul style="list-style-type: none"> Generally, from 3 to 9%; If 4%: 20 000. 	<ul style="list-style-type: none"> Technical diagnostics: depends on the nature of the property sold; Between 400€ and 1000€. 	Notary (1) 5 325 €		29533 € (transfer tax for buildings constructed more than five years ago + Property security contribution).	56058€
€500,000 sales price + €500,000 mortgage (lender's privilege)			Notary (1) 6 965 €		29833 € (transfer tax for buildings constructed more than five years ago + Property security contribution).	57998€
%VAT applicable	19.6%	19.6%	19.6%			

(1) <https://www.immobilier.notaires.fr/fr/frais-de-notaire>

(2) <https://www.immobilier.notaires.fr/fr/frais-de-notaire>. This is an estimate. VAT excluded. Total amount including the fees due for the drafting of the act and the fees due for the various formalities.

10.2 Transaction features

Table 23: Transaction features			
Transaction / service	Party bearing the costs of intermediation service (buyers or sellers, landlords or tenants) Costs expressed: • In EUR as % of total purchase price <u>and</u> • As a fixed amount (if available)	Fees as expressed in the contract: • In EUR as % of total purchase price <u>and</u> • As a fixed amount	Possible hidden costs faced by buyers or tenants
Estate agents	<ul style="list-style-type: none"> • Determined by the contract: seller or buyer; • Landlord. 	% of total purchase price, freely agreed between the estate agent and his client	None
Technical services (Technical diagnostic)	Technical diagnostic fees: <ul style="list-style-type: none"> • Seller; • Landlord. 	A fixed amount freely agreed between the expert and the client	
Legal services	<ul style="list-style-type: none"> • Buyer; • Landlord/tenant (Cost sharing). 	Proportional and fixed emoluments, fixed by public authorities. Discount are strictly regulated.	
Land register fees	Generally the buyer	0,10% of the sale price or the value of the property as indicated on the contract	
Taxes on conveyancing	N/A		
Transfer taxes	Generally the buyer	<ul style="list-style-type: none"> • Depends on the geographical location. Generally, it is about 5,807% + Property security contribution : 0,1%; • When the building was built less than 5 years ago, the building is subject to VAT. The price is all taxes included. In this case, the land registration tax borne by the acquirer is limited to 0,715%. 	

10.3 Taxes during the process of buying and selling a property

Table 24: Taxes related to buying and selling a property			
	Relevance of the tax	When to pay the tax as part of the process of buying or selling	Tax amount (expressed in EUR as % of total purchase price <u>and</u> as a fixed amount if available)
Registration tax¹³	Yes	Collected by the notary on the day of the signature of the sale contract.	0,10%
Mortgage tax	Yes	Collected by the notary on the day of the signature of the sale contract.	<ul style="list-style-type: none"> • Depends if it is a mortgage or a lender's privilege ("privilege de preteur de deniers"). Generally, 0,05% of the amount of the registration; • If it is a mortgage, the land registration tax borne by the borrower is 0.715% of the amount of the borrowed capital. The lender's privilege is less expensive because it is not subject to this tax.
Cadastral tax	No	-	-
Stamp tax	No	-	-
Transfer tax (tax on the acquisition of property)	Yes	Collected by the notary on the day of the signature of the sale contract	Depends on the geographical location. Generally, for buildings constructed more than five years ago it is about 5,807% + Property security contribution: 0,1% When the building was built less than 5 years ago, the building is subject to VAT. The price is all taxes included. In this case, the land registration tax borne by the acquirer is limited to 0,715%
Archives tax	No	-	-

¹³ Registration taxes are public levies associated with the registration act. They are not to be confused with registration fees, i.e. the payment required by the registration office to carry out the registration. Registration fees are contained in Table 10.

10.4 Taxes during the process of renting and letting a property

Table 25: Taxes related to renting or letting a property			
	Relevance of the tax	When to pay the tax in the process of renting or letting	Tax amount (expressed in EUR as % of total purchase price <u>and</u> as a fixed amount if available)
Registration tax	No		
Stamp tax	No		
Other taxes concerning the use of the property	No		

11. Consumer situation in the market

11.1 Consumer rights

Table 26: Consumer rights

<p>Are there specific consumer rights in the context of real estate transactions and residential tenancies in your country?</p> <p>In particular: are residential tenants treated as consumers?</p>	<i>With respect to buyers</i>	<ul style="list-style-type: none"> • Yes. As stated above, the non-professional buyer of a residential property enjoys certain protections. These protections exist whether the seller is a professional or not. For example, there are specific rights concerning loans (see Table 12). The non-professional buyer of a residential property has a right of withdrawal (1); • Sometimes the question is how to articulate the specific protections of the buyer with those related to his/her status as a consumer. For example, the Consumer Code sometimes provides a 14-day right of withdrawal for the consumer. If the residential property is sold by a professional, can the buyer benefit of a 14-day right of withdrawal? From now on, the law expressly forbids it (2): each purchaser has the same protection regardless of the identity of the seller. The specific regulations must apply, so the purchaser of a residential property only benefits of a ten-day withdrawal period (see above table 9).
	<i>With respect to sellers</i>	No. The Consumer Code defines the consumer as the person who acts for purposes that are not within the scope of her/his commercial, industrial, craft or liberal activity (Preliminary article)
	<i>With respect to tenants</i>	Yes. Residential tenants benefit of several protections (see table 14) These protections exist whether the landlord is a professional or not. Sometimes the question is how to articulate the specific protections of the tenant with those related to her/his status as consumer. For example, the tenant who has contracted with a professional landlord cannot claim the shorter prescription provided by the Consumer Code since it is the specific regulations to the residential lease that must apply. (3)
	<i>With respect to landlords</i>	No. The Consumer Code defines the consumer as the person who acts for purposes that are not within the scope of his/her commercial, industrial, craft or liberal activity (Preliminary article).
<p>Which existing marketing practices are non-compliant with national consumer legislation?</p>	<ul style="list-style-type: none"> • In 2016, it could be observed that some real estate agents did not respect the obligation to display their fees on the window. (4) A new text reinforced this obligation (5); • In 2015, some consumer associations felt that the fees of many real estate agencies still exceeded the ceilings allowed in areas with high demand (6). 	

Table 26: Consumer rights

Which existing marketing practices are non-compliant with EU consumer legislation?	Not relevant
Are there existing marketing practices detrimental to consumers, even if not necessarily illegal, in both domestic and cross-border transactions?	Not relevant

(1) Art. L. 271-1 et 271-2 CCH

(2) Art. L. 221-2 12° C. cons. "Sont exclus du champ d'application du présent chapitre : (...) Les contrats portant sur la création, l'acquisition ou le transfert de biens immobiliers ou de droits sur des biens immobiliers, la construction d'immeubles neufs, la transformation importante d'immeubles existants ou la location d'un logement à des fins résidentielles."

(3) Cass. 3e civ. 26 janv. 2017, 15-27.580.

(4) DGCCRF : <https://www.economie.gouv.fr/dgccrf/agents-immobiliers-verification-respect-des-dispositions-loi-alur>
<https://www.conso.net/content/enquete-afoc-quoi-du-respect-des-textes-en-matiere-daffichage-et-de-competence>
file:///C:/Users/marie/Downloads/160321_Etude%20Application%20Loi%20ALUR.pdf.pdf

(5) Arrêté du 10 janvier 2017 relatif à l'information des consommateurs par les professionnels intervenant dans une transaction immobilière

(6) <http://www.clcv.org/images/CLCV/fichiers/locataires%20prive/Enquete-CLCV-Alur-et-honoraires-location-mars2015.pdf> "Les 3/4 des agences affichent leurs honoraires, 42 % d'entre elles ne respectent pas les plafonds imposés par les textes".
<https://www.conso.net/content/enquete-afoc-quoi-du-respect-des-textes-en-matiere-daffichage-et-de-competence>

11.2 Consumer complaints

Table 27: Consumer complaints	
How often do <u>buyers and sellers</u> complain due to arising legal issues?	0,01% of sales of immovable are subject of litigation
How often do <u>tenants and landlords</u> complain due to arising legal issues?	Unavailable data
Are consumer complaints against a professional service provider frequent, in particular as regards the fees and quality or service?	Fees: the uniform rate is fixed by the State
To whom can consumers complain? And through which means? Is the procedure effective?	<p>In the context of his/her duties and missions, the notary has the professional liability in case of misconduct or of non-performance. This responsibility is the subject of a single insurance contract that covers all notaries in France.</p> <p>For notaries, consumers can complain to the professional representation. The client can address a complaint to the departmental chamber.</p> <p>There are many consumer protection associations that can offer their help.</p>