

How to beat EU red tape and buy a French holiday home

British buyers now face significant post-Brexit tax arrangements

By Liz Rowlinson
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Béziers, in Languedoc-Roussillon, one of Brits' most searched for hotspots in France | CREDIT: Getty

Those yearning for la vie en rose have found it difficult to attain in the past two years. But after the French government lifted its ban on non-essential travel, British buyers have returned with a vengeance.

Tim Swannie, of buying agent Home Hunts, sold three properties to [English people](#) in the past week – in Saint-Tropez, Provence and Lake Geneva. “Our problem is not the lack of buyers, but that there are not enough properties to offer them,” he said.

The acute shortage of homes for sale in Britain is mirrored [across the Channel](#) after last year’s record-breaking year for transactions. Many desirable properties were snapped up, mostly by French buyers: 1.2 million homes changed hands in the year to August 2021, according to the Notaires de France, the official data provider.

Unlike in Britain, the shortage is not across the board. You won’t find a lack of cowsheds in the Limousin or Auvergne going for €30,000 (£25,000), and you’ll still find many rambling chateaux staying put on the market. Instead, there is a dearth of high-end holiday homes in the most popular destinations.

But where have we all been [looking to buy](#)? The old favourites still dominate, according to property website Rightmove, with those rural stone houses with charming blue shutters in western France looking more affordable than ever when weighed against comparable properties in the UK hotspots of the Cotswolds or Cornwall.



Place Sainte-Anne in Rennes, Brittany | CREDIT: Getty

The list is topped by the Dordogne, in the south west of the country, with its beautiful river valleys and historic villages. Within this département is Belvès, which recorded a 133pc rise in searches on Rightmove last year, the highest increase in the country. That it is classified as one of the prettiest villages in France, and offers plenty of

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...and it is situated in one of the prettiest villages in France, and offers plenty of tempting houses for less than €200,000 – lower than the nearby hotspot of Sarlat – is another factor.

Further north, the village of Chaillac, in the Indre département in the centre of France, recorded a 111pc jump in 2021. Here, the average price of a property for sale is €158,000, according to the website RealAdvisor.

The low cost of property and land, especially compared with Britain, may make it tempting to snap up acres. But if you are thinking of buying a rural property, consider location carefully, said Julie Savill of agent Beaux Villages.

France in demand

The areas where property searches have increased the most in the last year



“Lots of land is great if you want a pony or sheep, less charming when you spend your life sitting on the mower instead of in a deckchair. Do you want splendid isolation or privacy? Being half an hour’s drive to the supermarket might not be ideal.”

The [increased popularity of Brittany](#) and Normandy among British buyers in recent years was down to their easy access, according to agent Leggett Immobilier. The firm’s Lisa Greene added that the regions’ seriously affordable homes lured buyers, too.

Her tips for finding a good property for £100,000 are in central Brittany, around Lac de Guerlédan, or lower Normandy, around Domfront, a hilltop village with a ruined Norman castle. Here, you can find a fixer-upper for €36,400.

If you are buying an old property to renovate, press for a building survey – despite it not being typical for a French home purchase. Heather and Michael Thompson, from Reading, bought an old four-bedroom stone farmhouse with outbuildings in October.



This eight-bedroom house in Bergerac in the Dordogne comes with a heated swimming pool and annexes that could be used for holiday let. It is €1,327,200 with Beaux Villages

With a budget of €250,000, they shifted their search north of the Dordogne to the Poitou-Charentes département, for better value, warmer winters and a shorter drive (4½ hours) from the ferry.

“To know exactly what we were buying, we decided to find an English-speaking surveyor. We found one through the Facebook group Charente-Maritime Expats and paid around €1,200” said Mrs Thompson, a teacher. The couple didn’t find any off-

paid around €1,000," said Mrs Thompson, a teacher. The couple don't mind any of putting issues and are planning longer stays there. "At 63, Michael is thinking about retirement - then we'll look at moving there," she said.

Brexit has brought with it an added layer of bureaucracy. To move to France for longer than three months, or permanently, like Mr and Mrs Thompson plan to, you will need a long-stay visa. For this, you need to show a net income of about €1,269 per month, or €15,228 a year.

The Thompsons were cash buyers so didn't get a mortgage, but doing so can be beneficial, especially if sterling is dipping into a bad patch. You can also borrow on a long-term fix at a low rate: one buyer in the Dordogne fixed for 14 years on a €580,000, 75pc mortgage for just 2.2pc.

British buyers' top 10 most searched for hotspots in France

Rank	Location		
1	Dordogne		
2	Brittany		
3	Normandy		
4	Languedoc-Roussillon		
5	Poitou-Charentes		
6	Limousin		
7	Provence		
8	French Riviera		
9	Loire Valley		
10	Nice		

Fiona Watts, of mortgage broker International Private Finance, said: "If you have your money invested in the UK at a return of 5pc and you can borrow in France at 2.2pc, you are better off keeping your investments working hard for you in the UK, rather than cashing them in."

But be prepared to produce more paperwork than for a British mortgage, demonstrate as much savings as possible, clear credit cards, and file your 2021 tax return early. Also note that you can only take a mortgage at the point of purchase in France, and you cannot raise additional funds at a later date, such as equity release.

There are also complicated and hefty tax arrangements, particularly if you don't move to France but use the property as a holiday home. For all residents and non-residents of France, the capital gains tax is 19pc on any gain, regardless of whether it is your main residence. Then there are social charges, an added tax on top. This means if the Thompsons sell their French house before they move there, they will now have to pay higher social charges as a result of Brexit.



This property in the Agly Valley in Languedoc-Roussillon comes with its own vineyard and has a main house, outbuildings, a pool and sauna. It is €890,000 with Home Hunts

Jason Porter, of Blevins Franks, a financial advisory company for expats, said: "Social charges of 7.5pc apply to all property gains, though this rate is increased to 17.2pc where the seller is a non-French resident, living in a non-EEA or non-EU country. This brings the total tax rate to 36.2pc for gains on property for non-EU residents."

There is an additional tax (of 2pc to 6pc) on property capital gains exceeding €50,000, which pushes the rate up even higher on second homes.

With owners' stays at their French holiday homes now limited to 90 days in every 180, adequate insurance is needed to cover leaky roofs or blocked pipes that might occur during prolonged absences.

Natalie Blake, from Maidstone in Kent, bought a two-bedroom village house in

Lauzun, Lot-et-Garonne, in October with her husband, Jason. She said: “We used a French insurance company – recommended by our French bank – because UK-based firms were asking questions completely irrelevant to the 13th-century property we have bought.”

Brexit has made little difference to their home purchase – so far. It's only the new customs rules that have caused them issues. “The only hurdle we've come across is not being allowed to bring a ham and cheese sandwich when we drive over,” she said.

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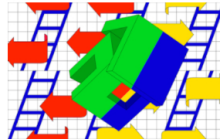
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