



THE CONSEQUENCES OF BREXIT

ON THE PROPERTY MARKET

1°) ACQUISITION OF A PROPERTY

At the moment, there are no special conditions if you are a foreigner and you want to buy a French real estate property, whether your country of origin is in the EU or not.

For example an American citizen can buy a French house without any specific formalities. It is the same for a French commercial or industrial building.

Thus Brexit doesn't change anything; you will still have the possibility to purchase real estate properties in France as simply as before.

The existing property rights are also unaltered.

The only consequence of Brexit may be the fluctuation of property prices due to the drop in the value of Sterling versus the Euro.

2°) SALE OF A PROPERTY IN FRANCE

For UK tax residents, if you sell a property in France after Brexit, the rate of capital gain tax will not change. Since the 1st January 2015, the rate of capital gain tax is the same for all non-residents, whether they live in the EU or not. This rate is a total of 34.50 % on the gain.

However, the residents of a non EU country have the obligation to be represented by an accredited tax representative. The fees of a tax representative can be high, depending on the amount of the gain.

ON SUCCESSIONS

1°) CIVIL MATTERS

The civil rules regarding successions in France are now subject to the European Regulation of 4th July 2012. The United Kingdom having opted out regarding this issue, is already considered as out of the EU, and is therefore not subject to this European Regulation.

As a consequence, there will be no change after Brexit regarding civil rules for successions.

2°) INHERITANCE TAXES

There is a double tax treaty between France and the United Kingdom, which was signed on the 21st June 1963 and applies to the successions of persons living either in France or in the United Kingdom.

As long as this treaty is not **denounced** by one of the 2 countries, it will remain in force and Brexit should not invalidate this bilateral agreement.

So, in this specific matter of inheritance taxes, there also will be no change after Brexit.