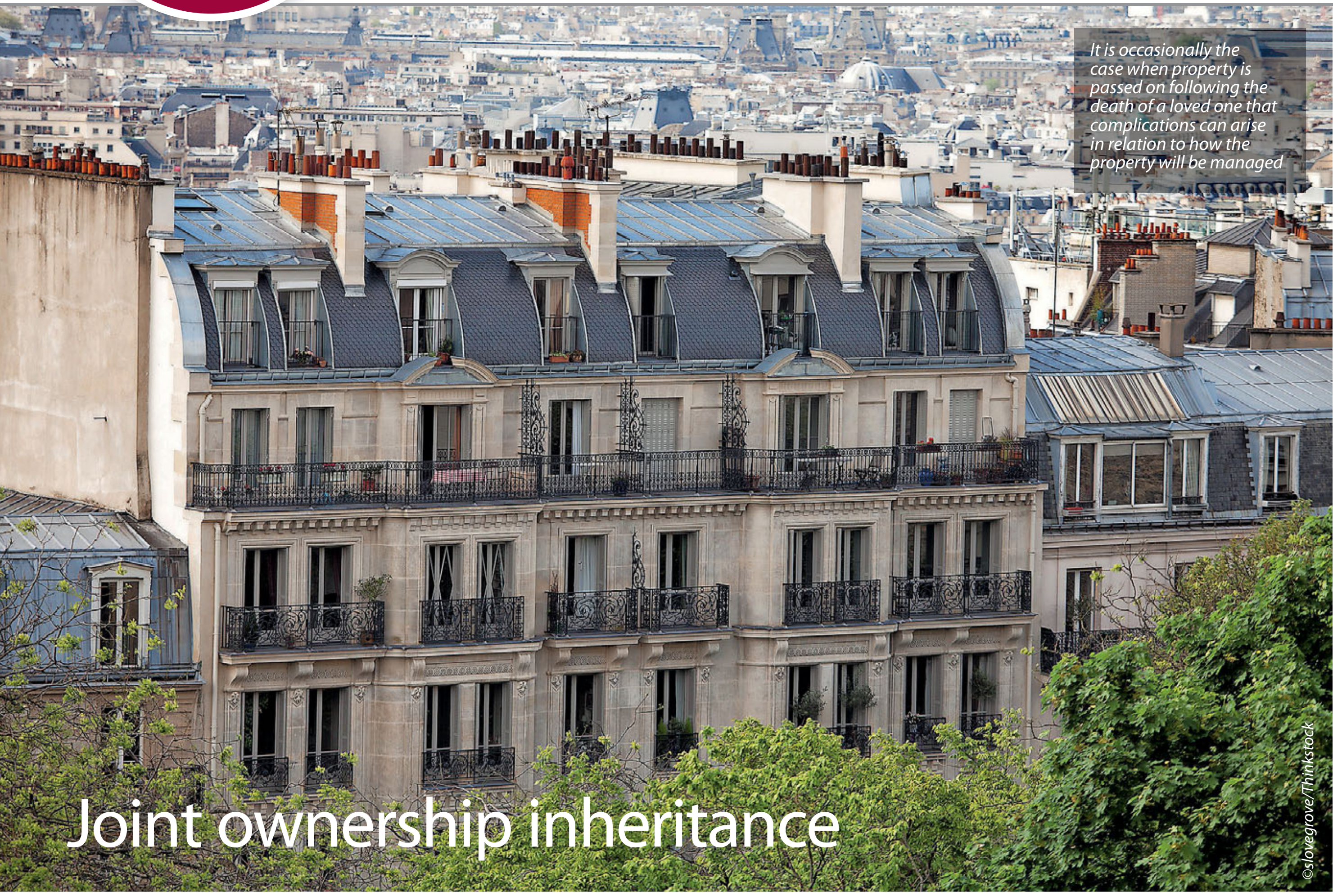
Q&A

ASK THE EXPERTS

Need advice? Put your problems to our panel



It is occasionally the case when property is passed on following the death of a loved one that complications can arise in relation to how the property will be managed

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Joint ownership inheritance

My late wife (who was French) and I bought three flats in Paris 10-15 years ago as part of our pension planning. Following my wife's death in 2011, her half share was split between her two children from a previous marriage: a daughter who lives in Paris and a son who lives in London. We have also subsequently sold one of the flats, so there are two remaining. These are currently rented out unfurnished on a long-term basis.

As my wife's daughter lives in Paris, we used her address to receive the various invoices and she paid these out of our *compte joint*, to which she and I have access. However, in the last 12-18 months, her behaviour has changed and she no longer replies to emails or phone calls about the two flats and no longer pays invoices when they are sent to her.

We are also trying to sell one of the remaining flats. My wife's daughter has sent some papers to the *agent immobilier*, but we don't know whether he has received everything he needs, so this has been dragging on for some months. I am going to Paris shortly and intend to try to meet the agent and the two *syndics* to set up *virements*.

On the basis that our 'joint ownership' is no longer working satisfactorily, can we (her brother and I) do anything to force the sale of the flat, or exclude her from any involvement with the two flats, while obviously continuing to give her her share of the net rental income? Or are there any other steps we can take to ameliorate this problem?

Nigel Mullan

Matthew Cameron of Ashton KCJ (ashtonkcj.co.uk) replies:

Occasionally, when property is passed on following the death of a loved one, complications can arise in relation to how the property will be managed.

Before we can establish what steps may be taken for the future in this case, and how the ongoing joint ownership can be arranged, it is imperative to understand the exact form of ownership: there are different formats in which groups of owners hold property jointly. It could well be that there are different proportions of ownership; indeed, one person may retain responsibility for payment of all of the costs, management and so on.

In your case, if you have a life interest over the share originally owned by your late wife, you have the right to take all rental income, against which you also have to pay all income tax (in France and the UK), as well as any local taxes and management charges.

Your wife's daughter should, of course, be dealing with correspondence and other matters, and not to do so will only make matters worse.

Depending on the way the joint ownership is structured, it might be possible to try to force a sale of the properties, but that should only be undertaken with caution: it can be an expensive legal process, and the resulting sale price could well be less than might have been anticipated.

On the other hand, it might be the case that your wife's daughter does not actually have a legal entitlement to any rental income, and this again depends upon ownership structure. Overall, therefore, a detailed analysis from suitably experienced solicitors or an *avocat* or *notaire* in France is recommended.

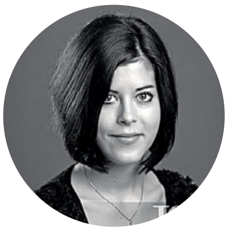
Get in touch!

Ask your questions about French property or life in France...
Email: rachel.johnston@archant.co.uk or write to:
Rachel Johnston, *FPN*, Cumberland House, Oriel Road, Cheltenham GL50 1BB.
Alternatively, you can post your question on our Facebook page

Bank or broker?

My husband and I are moving to France soon and will need to send money back to the UK regularly. A friend of ours said we could save money by using a currency broker, but is our money safer with a bank?
Kathryn Mason

Laura Parsons of TorFX (torfx.co.uk) replies:



Firstly, good luck with your move! France remains one of Europe's most popular emigration destinations for a number of reasons and I'm sure your move will be a rewarding one.

Whether you need to conduct large or small international currency transfers, it's only natural that you would be concerned for the safety of your funds and it's easy to assume that using your bank would be the safest choice. However, your transfer would be just as securely handled by a reputable foreign currency broker, and you could get a lot more for your money at the same time.

For starters the exchange rates offered by leading currency brokers can undercut the banks by up to 90% - which could save you thousands on larger transfers. Most also work on a fee-free basis and provide a range of transfer options which you can tailor to suit your specific requirements. For example, if you and your husband have recurrent transactions to manage (like moving wages overseas or paying a foreign mortgage) you can set up a regular overseas payments account to automate these transfers. You can organise payments to take place automatically on a certain date and know that they're going to take place on time and be conducted at a highly competitive exchange rate with no transfer fees.

If you have a large transfer to make you may also want to look into forward contracts, which give you the option of fixing a favourable rate for up to two years in advance of a trade. This option is ideal if you need to budget for a foreign property purchase or want to protect your funds from exposure to the volatile currency market.

Additionally, as currency brokers are industry experts and employ foreign exchange specialists they can provide a level of expertise banks can't. Once registered with a broker they'll keep you updated with the latest market movements and exchange rate trends so you can choose the most opportune time to trade.

If you and your husband want to rest easy in the knowledge that your currency transfers are in safe hands, make sure you use an accredited, FCA-authorised foreign currency broker. For additional fund security use a company which operates segregated client accounts and for further peace of mind check out online reviews to see what existing clients have to say.

Using a reputable currency broker to move your funds is just as safe as using a bank and could be more cost-effective, so looking into your options at this stage can really pay off. Enjoy your new life in France!

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A comprehensive 'assurance multirisque habitation' policy contains a clause that allows you to let out your property on a seasonal basis

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Insurance on a second home

My wife and I are buying a property in France, which we initially intend to use as a second home with the possibility of renting it out when we're not using it ourselves. We also hope to make a permanent move to France at some stage in the future. What would our insurance options/obligations be if the house was used as a second home, and would it be easy to change if it becomes our permanent home later on?
Daniel Lewis

Guillaume Poissant of CL&P Assurances (clp-assurances.fr) replies:

If you intend to use your property as your second home there are different levels of risk cover which can be taken, particularly in relation to insurance against theft and security of the property. You may have to ensure locks and security alarms are fitted, that the property is inspected regularly and shutters and grills are fitted to windows. You may also be required to ensure water and electricity supplies are turned off at the mains while you are away.

A comprehensive *assurance multirisque habitation* policy contains a clause that allows you to let out your property on a seasonal basis and as holiday accommodation to third parties for up to three months, but you should always check with your insurer that this clause exists in your specific policy and of your intention to let your property out. This also applies if you let part of the property and still live in the other part of it.

Dedicated and longer periods of letting your property will not affect your third-party liability but you will need to ensure that any damage, risk of fire and flooding caused by a tenant to your property is properly guaranteed. Therefore, it is highly recommended that you request proof of insurance from the tenant for liability when letting and likewise this may already be included in their own home insurance.

Once you decide to use your home as your permanent residence the change from a second-home cover is straightforward, as the guarantees in the existing cover usually only need to to be changed to stipulate that the property will be habitable by the owner for more than 90 consecutive days in a year. You will need to inform your insurer and a replacement contract will be drawn up for your agreement and signature. This may also result in a small decrease in your premium as the levels of risk around the property being broken into in your absence are considered lower.