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Object : Main Steps in Real Estate Acquisition

Each real estate acquisition project is unique; however, they all follow essential steps to ensure the sale of the property under optimal conditions of fluidity and legal security. Naturally, we remain at your disposal to advise you at all stages of your project. Do not hesitate to contact us at any time for the necessary information to fully understand this process.

Step 1: Compilation of the Real Estate Acquisition File

This step is often the longest due to the large amount of information and documents that need to be gathered. The objective is to establish a clear, complete, and accurate overview of the legal status of the property you wish to acquire. Analyzing the provided documents ensures the sale is conducted securely, identifies the key characteristics of the property, and highlights any concerns to guarantee you peaceful ownership.

As the buyer, the number of documents you need to provide is limited, apart from personal information. Most of these documents must be produced by the seller, who owns the property.

However, to enable the notary to request certain paid documents required for the acquisition and to cover the initial legal fees, the buyer is required to pay an advance on costs. This advance does not constitute the notary's remuneration. Any excess amount paid will be refunded to the buyer after the conclusion of the sale.

This step usually takes between one and two weeks but may be extended if the seller has difficulties collecting all the required information and documents and/or if additional clarification is needed.

Step 2: Drafting the Sales Agreement

Once the necessary information and documents have been collected, a draft sales agreement is prepared based on these elements. Usually, this draft is prepared by the buyer's notary, except in rare cases where the seller has appointed a notary for this task.

Once the draft is completed, it is sent to both the buyer and the seller for their review and potential comments. The sales agreement is written in precise legal terms, which can make it difficult to read. However, since this document is of particular importance, we strongly recommend that you read it thoroughly and carefully. The review of the draft agreement is a key opportunity to ask any questions and clarify the implications of certain contract clauses.

When the draft agreement is approved by both parties, a signing appointment is scheduled. Before this appointment, the buyer must deposit the security deposit (also called the "holding indemnity") into our account. This amount is held in escrow between the signing of the agreement and the final sale to secure the seller. The security deposit is typically set at 5% of the sale price. Given the significance of this amount, we advise you to plan this payment in advance with your bank to ensure that it is received by the notary no later than the day before the signing.

Step 3: Signing the Preliminary Sales Agreement

This is the most critical stage of the acquisition process. The preliminary sales agreement defines all the terms, conditions, and deadlines for the future sale contract. Legally, it constitutes a conditional sale agreement, subject to certain approvals (known as "suspensive conditions"), the most common of which is obtaining a mortgage if the buyer is financing the purchase with a loan. In this regard, the preliminary sales agreement legally binds both the seller and the buyer, similarly to a sale contract but with conditions.

During the signing appointment, the notary (or the seller's notary) will read the document to highlight the key points and main commitments that the seller and buyer are undertaking. The goal is to ensure that all parties fully understand their obligations.

This meeting is also an opportunity for the seller and buyer to reach agreements on any final pending matters (though, ideally, these should be minimal, as both parties have already had the opportunity to review the preliminary agreement in advance).

During the appointment, the notary who drafted the agreement (and the seller's notary, if applicable) is fully available to the seller and buyer for any inquiries.

Step 4: Period Between the Preliminary Sales Agreement and Final Sale

During this period, the notary (and the seller's notary, if applicable) collects all the necessary documents without which the final deed of sale cannot be executed. Indeed, according to the preliminary sales agreement, the final sale can only proceed once these documents have been obtained.

If the buyer is financing the purchase with a mortgage, obtaining the loan is one of the main suspensive conditions. This period allows the buyer to get loan approval from financial institutions and secure the necessary funds for the purchase.

Before the final sale signing, the notary issues a request for funds to the buyer, specifying the amount to be paid (whether financed by a loan or not) to cover the sale price and transaction fees. The buyer must ensure these funds are transferred to the notary before the signing appointment. The sale cannot be finalized unless the notary has received the full amount. If the payment is not received in time, the signing appointment will need to be postponed.

Meanwhile, under the terms of the preliminary sales agreement, the seller must maintain the property in its current condition, without causing any degradation or making voluntary modifications between the preliminary agreement signing and the final sale.

A few days before the final sale signing (two or three days), the buyer is advised to conduct a final inspection of the property to ensure there are no defects, damages, or issues that were previously unnoticed or occurred between the preliminary agreement signing and the sale. If any issues are found, they must be recorded in the sale contract, and compensation may be arranged if necessary. This visit is also an opportunity to take meter readings (water, electricity, gas, etc.) in preparation for setting up new utility contracts.

The period between the preliminary sales agreement and the final sale depends mainly on the time required to fulfill the suspensive conditions. Generally, obtaining a mortgage is the longest step. As of today, excluding special cases, securing a real estate loan (including the actual disbursement of funds by the lender) takes approximately three months.

Step 5: Signing the Final Sale Deed

The final sale deed confirms that all suspensive conditions outlined in the agreement have been met, making the sale final. At the time of signing, ownership of the property is transferred to the buyer in exchange for the payment of the sale price to the seller. If the property is sold unoccupied, the seller hands over the keys to the buyer. If the property is sold with tenants, the buyer starts collecting rent from the day of the sale.

During the signing appointment, the buyer may be required to reimburse the seller for certain property-related expenses and taxes. These costs include property taxes, rental income (if applicable), and condominium fees. The goal is for both the buyer and the seller to share these expenses proportionally based on their ownership period within the year. The buyer must bring a checkbook to the appointment to settle these expenses, in addition to the sale price.

After signing, the notary provides both the buyer and the seller with sale certificates, serving as proof of the transaction and ownership transfer.

Step 6: Post-Sale Formalities

After signing the final sale deed, the notary registers the document with the land registry office. The publication timeline varies depending on the specific land registry office but typically takes a few months. Once published, the notary prepares an authenticated copy of the sale deed and delivers it to the buyer. This document serves as the buyer's official proof of ownership.

At this stage, the buyer's account with the notary is also finalized. All transaction-related costs are deducted, and any remaining credit balance is refunded to the buyer.