

Generating an income in France - make your French dream pay for itself

Pete O'Grady

Who am I?

- I represent a Property Management network which:
 - Looks after owners' homes, garden and pools
 - Offers a Marketing & Reservations service for owners of holiday homes
- I have lived and worked in France full time since 2005
- I have personally met several hundred expats who are either
 - Managing to earn a living in France
 - Struggling to earn a living in France



This presentation

A copy of this presentation is available to you.
Pass your contact details to anyone on the Prestige stand



What is the dream?



Buy a "holiday home"

- but remain UK resident
- with a view to moving to France at a later date?



**Buy a "main residence" and move to
France**

Buy a "Holiday Home"



Option 1

Retain property for your personal use only.

- You pay for all utility bills and upkeep (house, garden, pool)
- You are not interested in generating income to cover these overheads
- You probably don't need to be at this seminar!



Option 2

Install long term tenants

- they pay rent and Tax d'Habitation (Council Tax)
- They can undertake garden and property maintenance
- There are real risks re "winter" tenants and bad payers/damage to property
- The property is not available for your own use!



Option 3

Let out your property to "holidaymakers" to cover your overheads/make profit

- Still gives you access to spend some time there yourselves

Buy a “Holiday Home”

Option 3 - Let out your property to ‘Holidaymakers’

- Location
- Property Type
- Facilities
- Quality
- Guest Assistance
- Pricing
- Advertising

LOCATION – Property Type - Facilities – Quality – Guest Assistance – Pricing - Advertising

- Location – must be somewhere you like to visit yourself
 - Region (think climate, local attitude to British)
 - Coastal (higher rental charges, longer seasons)
 - Rural (sounds idyllic but may need swimming pool, extra facilities)
 - Walking distance from a Town (daily baguette, trip to Bar/Restaurant)
 - City centre (all year round possibilities, reduced overheads)
 - Themed breaks, e.g. skiing, climbing, Kayaking
 - Remember – if you have a ski lodge/ villa with pool then you may want access to this in high season which blocks out some of your letting calendar

Location – **PROPERTY TYPE** - Facilities – Quality – Guest Assistance – Pricing - Advertising

Property Type	Absent Owners	Onsite Owners
Appartment/ Flat	Property Manager needed	No garden or pool. Fewer overheads
Single 'Gite'	Property Manager needed	Cost effective
'Gite' Complex	Property Manager needed	Market trends, Resale issue?
Manor/ Château	Install guardians?	Bigger risk v Bigger gain, Events?
B & B	Not workable	Limited income?

Gite complex

Issues

- Market trends
- Single Electric supply
- Single Fosse
- Single land parcelle
- Reselling options

Buy separate units

- Lower cost of entry
- Easier to resell



Location – Property Type - **FACILITIES** – Quality – Guest Assistance – Pricing - Advertising

- Large Garden (boules, trampoline, table tennis) – maintenance costs?
- Swimming pool, jacuzzi (heated, exclusive use) – maintenance costs?
- Bathrooms (Ensuite, Fosse Septique, Macerators)
- Wifi! (Storms, slow speeds)
- Satellite TV
- Sleeping/ dining/ lounge capacities? (3 bedrooms - 8/4/2)
- 1 bathroom for 12 guests!!!

Location – Property Type - Facilities – **QUALITY** – Guest Assistance – Pricing - Advertising

- Décor (clean, fresh)
- Heating/Insulation (adequate for winter lets?)
- Mattress/ Bed linen (good quality)
- Kitchen appliances (dishwasher, crockery, cutlery)
- Furnishing - Spartan?
- Cleanliness (**good cleaners – hourly rates?**)

Location – Property type - Facilities – Quality – **GUEST ASSISTANCE** – Pricing - Advertising

- Good Directions and access instructions
 - Keybox v “meet & greet” (cost comparison)
- Comprehensive housekeeping brochure
 - Details for House appliances, emergency contacts, things to do
- Offering hampers, tailored shopping lists, meal on arrival
- Assistance with vets appointments for dogs travelling back to UK.
- Extras – Chef, language course, tickets for music festival, airport pickups

Location – Property type - Facilities – Quality – Guest Assistance – **PRICING** - Advertising

- Be realistic – do not knowingly price under/over market norms
- Minimum tariffs (£100 per guest per week in high season)
- Understand Regional variations
- Take advice from the professionals
 - [HolidayFranceDirect, Prestige](#)

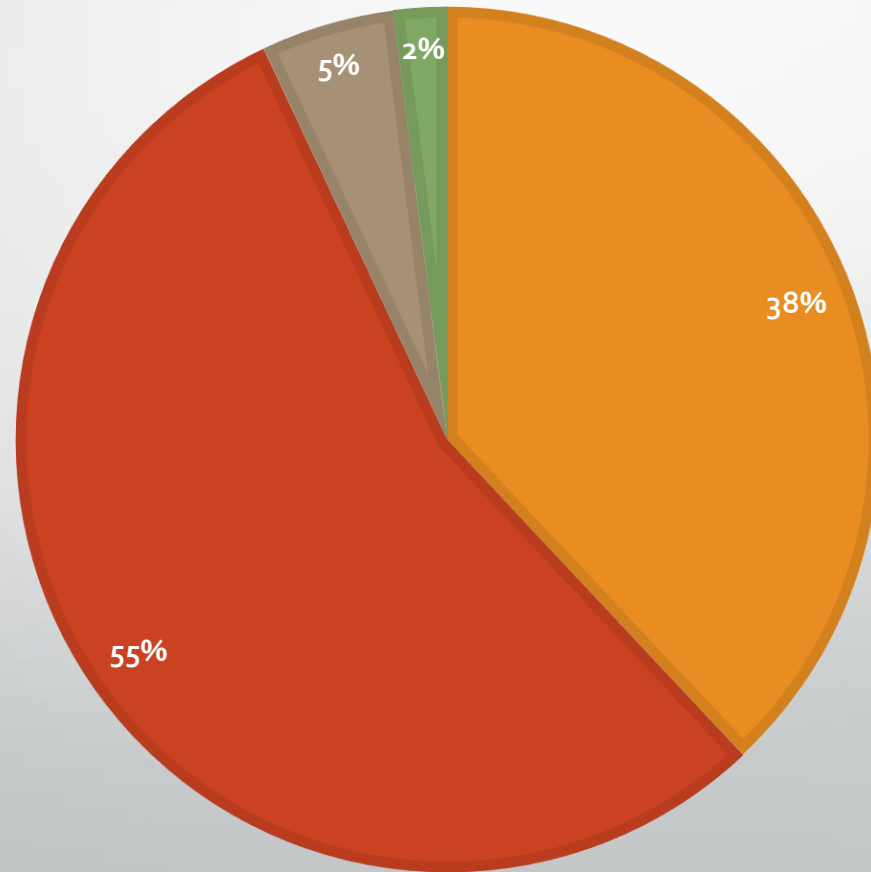
Location – Property type - Facilities – Quality – Guest Assistance – Pricing - **ADVERTISING**

- Don't limit your options
 - Use more than one listing site
- Explore 'pay per booking' options with portals
- Create your own website?
 - Analysis of 3000+ gites proves that (on average) having your own website does **NOT** result in more weeks let.
- Use Social media
- Use the services of professional letting company to handle all listings, enquiries, contracts, payments, deposits etc.
- Your market – what **%** of holidaymakers are British **38 % in 2019**

Location – Property type - Facilities – Quality – Guest Assistance – Pricing - **ADVERTISING**

GUEST NATIONALITY

■ UK ■ Other European ■ US/Canadian ■ other



Gite Taxes / Charges

	UK Resident	French Resident
1. Register your Gite at Mairie	Yes	Yes
2. Create Mirco Entrepreneur (ME)	No	Yes
3. Pay Cotisation Fonciere d'Entreprise (CFE)	No	Yes. Variable (180€ - 900€). 1st year exoneration
4. Pay Tax de Sejour (TDS) (0.70 – 2.50€) based on classification	Yes - in most Regions/Departments	Yes - in most Regions/Departments
5. Gite 'classifiication' (Gets you approved by Tourist Office)	Complete French Tax return but also UK Tax return	Fee of 200€-250€ (valid 5 years) and then you pay Impot on only 28% of Rental Revenue. If unclassified you pay Impot on 50% of Rental Revenue

Gite income – Realistic Expectations

- Average 10-12 weeks rental p.a. in many parts of France
 - More for cities
 - More for twin season areas (Ski + Walking)
 - More for 'Top end' properties/ 'Holiday experiences'
- Not easy to succeed with Winter/Xmas lets
 - apart from Ski resorts !

Now we move on to 'Earning a living in France' after you have moved and live there full time.....

Buy your “main residence” and move to France

“Work” or “not work”

- Many ex-pats start out as non working “early retirees” but end up working because
 - Their savings dwindle faster than they planned for
 - Their other income doesn’t stretch as far as they first thought
 - They need the mental or physical stimulus (or both!)



Work options

- Salaried employment
- Self employed

Backdrop to Salaried employment

KEY STATISTICS

	France	UK
Unemployment rate	– 8.8%	3.9%
Living wage Individual	– 1,080€ pcm	£895 pcm
Living wage Family	– 1,790€ pcm	£1,300 pcm
Minimum wage	1,521€ pcm	£1,202 pcm

Salaried employment options

- CDD (Contrat Duration Déterminé)
 - Fixed term contracts (e.g. 1 day, month, year)
- CDI (Contrat Duration Indéterminé)
 - Permanent employment
 - Difficult for Employers to get rid of an Employee!
 - Gold dust!
- Limited French language skills
 - e.g. Abattoir, biscuit factory
- Good French language skills
 - e.g. Supermarkets, Brico Depots, Hotel / Campsite receptionist, Teacher, Fonctionnaire

Self Employment

- Popular option for ex-pats with limited French Language skills
 - target British clients?
- More flexible working pattern than salaried employment
- If you were not self-employed in the UK then does this suit you?
- Husband and wife often start working together!
- Most people over-estimate the revenue they will generate as a 'start up'

Self Employment

Property

Builders/ Artisans

Selling Houses

Property Management

Marketing Holiday Homes

Holiday Reservations

Surveyor

Architect

Planner

Gites and B&B

Health & Beauty

Hairdresser

Manicurist

Nurse

Teaching

TEFL

School Assistant

Yoga/ Dance

Leisure

Boating holidays

Campsites

Tours

Musician

Other

Mechanic

Translation

Court

Ex-pat assistance

Retail

Cosmetics

English Food products

Clothing

Jewellery

Market stalls

Information Tech.

Web developer

Social Media

Hardware repair

Social Forums

Gardening

Gardener

Tree Surgeon

Landscaper

Garden Centre

Hospitality

Bar/ Cafe/ Restaurant

Waiter/Waitress

Self Employment

Property

Builders/ Artisans

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Bar/ Cafe/ Restaurant

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Small Business “setup”

- Micro Entrepreneur – individual or Couple
- Simple accounting regime - No accountant needed
- PAYG – Cotisations (NI) of approx. 24% deducted from 'services' revenue
- Public Indemnity Insurance needed
- Cannot offset expenses.
- *4-5 day Formation course applies (usually in French) unless you have run your own business before.*

In Summary

My advice –after 13 years of living in France

Do your research before you buy/ move

Do take counsel from exhibitors here today

Do not be put off by some of the realities of generating an income in France -
but **do** inject some realism!

Do not believe all comments from 'supposed experts' on 'Social Media groups

.....Our own network.....

Pete O'Grady

Prestige Property Services - Europe

USE US or JOIN US

We are always looking for new Property Managers to join our Network.



Thank you for listening.

Come and speak to the team on our stand

Pete O'Grady

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