



EXPAT LIVING

Magazine of the Expat Network

SPRING 2018

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AUSTRALIAN VISA SPECIAL

Which visa do you need?

FINANCING YOUR PROPERTY ABROAD

How to make an overseas purchase work

WHERE TO LIVE IN FRANCE?

Should you rent or buy?

MOVING TO AUSTRALIA

The continuing attraction of
the Australian Lifestyle

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Welcome To Expat Living

Welcome to our Spring 2018 edition of Expat Living.

We discuss the continuing attraction of Australia as an expat destination and look at the range of visas available to those travelling there to study, work and live. We also compare the top destinations: Sydney, Melbourne, Brisbane, Adelaide and Perth.

How do you plan to finance your overseas property? We look at the options.

France continues to be one of the most popular expat destinations in Europe: we summarise the most popular regions and discuss the important decision – should you rent or buy your home there?

And finally, what effect does expat life have on your children? Do the positives outweigh the negatives? And how best to handle the move.

We hope you enjoy the magazine and, as ever, welcome your comments, suggestions and stories.

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THE CONTINUING ATTRACTION OF THE AUSTRALIAN LIFESTYLE

With its spectacular coastline, world-renowned wine regions, sunny (sometimes scorching) climate and healthy outdoor lifestyle, Australia proves an irresistible draw to many.

Maybe you are heading there as a tourist, or to visit family. Taking up the opportunity of a working holiday, or to work there for a few years or even to settle long term - you will not be alone. Around 6.5million (28.5%) of people living in Australia were not born there. Many travel there to study (169,000 in 2017) whilst others come to live permanently in Australia (123,567 on the skills stream and 59,620 on the family and child streams in 2017).

Temporary visas are dominated by short term tourists, but 214,583 Working Holiday visas, which allow those under 31 to stay and work in Australia for a year, were issued in 2015-16 (see opposite) along with 85,611 temporary work or 457 visas.

In the year ending 30 June 2017 Australia's net migration, which takes account of outbound as well as inbound movement, was 245,400 (27% above the previous 12 months). All states recorded an increase and New South Wales and Victoria recorded their highest ever levels of migration, surpassing the last highs of 2008-09.

The immigration system has served Australia well, but with over 100 different visas and long delays on some visas, the authorities have been looking to reform the system. They are seeking to make it easier to understand, easier to navigate, and more responsive to Australia's economic, social and security interests. This is a long term project and the consultation process is ongoing.

One big change announced in April 2017 was that the familiar Temporary Work (Skilled) visa (subclass 457) was to be abolished and replaced with the

completely new Temporary Skilled Shortage (TSS) visa which will try to better tie temporary work visas to genuine skill shortages.

The Temporary Skills Shortage Visa (Subclass 482) replaces the 457 visa this month. This has created a short-term stream and a medium-term stream. Those applying with occupations on the Short-Term Skilled Occupations List (STSOL) are eligible for visas of up to two years (renewable onshore once, for a further two years), whilst those on the Medium and Long-Term Strategic Skills List (MLTSSL) can apply for up to four years (with eligibility for permanent residency after three years, depending on meeting age and English requirements).

Reforms to the occupation lists were announced in January 2018 and they will be reviewed every six months.

TSS applicants will be required to have at least two years' work experience in their skilled occupation, whereas there was no relevant experience requirement for the 457 visa. There will be mandatory labour market testing and a non-discriminatory workforce test to ensure there is no discrimination against Australian workers.

With over 200 jobs removed from the occupation lists, the overall impact will be that some skills will no longer enable you to get a visa. The industries that will be most affected are IT, professional, scientific and technical services, and accommodation and food services. The other major impact will be using TSS as a path to a permanent visa as only those on the MLTSSL will be eligible.

WORKING HOLIDAYS IN AUSTRALIA

With increasing numbers of young people looking to spend time abroad as part of gap years before or after University, or perhaps as a break after completing professional qualifications, spending time in Australia is increasingly popular.

If you are passing through for up to three months and do not intend to work in Australia, you can get an Electronic Travel Authority (ETA). The ETA is valid for a year and you can make multiple entries during that period, but the maximum for each stay is three months. You can stay up to a year with a Visitor Visa, but if you want to work to fund your stay this is where the Working Holiday Visa comes in.

The scheme is open to people from the UK and specific European and Asian countries. You must be over 18 and not yet 31. You must have enough money to support yourself and enough for an onward flight at the end of your stay. You will also have to pass the character requirements and may be required to provide a police certificate.

You can work for a single employer for up to six months, which means that you will have to find a second job if you are staying for twelve months.

Any spouses, partners or other relatives will need to arrange their own visas and you cannot take any dependent children with you.

You will need to have healthcare insurance, as holders of this visa are not covered by Australia's national health scheme. Reciprocal healthcare agreements with the UK and some other European countries mean that you will be covered for 'medically necessary care', which means care that Medicare covers healthcare for illness or injury that can't wait till you get home.

A second Working Holiday visa is only available if you have done three months of 'specified work' in specific regional areas of the country in plant and animal cultivation, fishing and pearling, tree farming and felling, mining or construction.

You can apply for the visa online, by post or in person using form 1150, and the Department of Home Affairs provides information to help you prepare your application. It is best to ensure you provide as much documentation as possible to avoid delays.

JOINING YOUR FAMILY IN AUSTRALIA

If you have relatives living in Australia there are various visas to allow you to apply to join them, but they are not always easy to obtain.

Spouse and fiancée visa

If you are married to or in a committed relationship with an Australian citizen or permanent resident you may be able to get a visa to join them in Australia. Your sponsor will have to pledge to support you for your first two years in Australia, including providing accommodation and financial assistance to meet your living needs. If you are not legally married you will need to show that you have been in a de facto relationship for 12 months before making the application.

Fiancées are given a Prospective Marriage Visa valid for nine months and the marriage must take place before the visa lapses.

Child visa

Natural, adopted and step children of a sponsoring Australian citizen or permanent resident can apply for a Child Visa provided they are not married and are under 18.

Orphans can be sponsored by a relative in Australia for a visa where their parents are both missing, dead or permanently incapacitated.

Parent visa

If you want to join your child in Australia you must apply for a Parent Visa or Contributory Parent Visa. Your child must be a citizen or permanent resident who is settled in Australia (resident for at least two years), be at least 18 years old and be willing to sponsor you. More than half your children must be in Australia or you have more of your children living in Australia than any other country (balance of family test) and you will have to meet character and health requirements.

Currently a Parent Visa takes around 30 years and the only realistic way you can apply under this is by entering Australia on another visa and then applying. You can then stay while the visa application is processed. The Contributory Parent category will generally be a better option and the only practical option if applying from outside Australia. It will still probably take over three years to get approval.

The fees for the Contributory Parent visa are substantial and you will have to commit to making a significant contribution to your future health and welfare costs. You may need to provide an Assurance of Support and potentially a financial bond.

Things may become a little easier as a new temporary Parents Visa is expected in 2018 which is intended to get over the processing delays for the existing parent visa. This will allow parents to stay for up to five years and removes the balance of family test.

There is also the option for a Relative Visa if you are aged and financially dependent on a relative who lives in Australia or your and your partner's only remaining relatives live in Australia you can apply for a Relative Visa.



WHERE SHOULD YOU LIVE IN AUSTRALIA?

Are you moving to join family or is your destination already set by your job? Climate, employment prospects and lifestyle differ as you cross Australia. We look at the main population centres: Sydney, Melbourne, Brisbane, Adelaide and Perth.

SYDNEY NEW SOUTH WALES

Climate

Sydney enjoys a sunny climate with mild winters (9 - 17°C) and warm summers (19 - 26°C). Water temperatures rise to around 23°C in the summer and is a great time to enjoy Sydney's abundant beaches. Sydney's rainfall is generally highest in June, with an average of 132 mm.

Employment

Sydney generates almost a quarter of Australia's GDP and is home to the Australian Securities Exchange and the Reserve Bank. Many of Australia's largest companies and foreign banks have their headquarters there. After finance, manufacturing is the next biggest industry in the city. Retail is the largest employer in Sydney.

Lifestyle

Sydney's spectacular harbour gives a dramatic backdrop and the city provides a wide range of opportunities to

enjoy the beaches of Bondi and Manly Bay, shopping, nightlife and culture.

The iconic Sydney Opera House is at the centre of the city and of cultural life in Sydney with 1,600 performances a year, but there are many other opportunities to view theatre, dance and other cultural events. The city also has an excellent reputation for dining with options ranging from casual and affordable cafes and pubs to top rated restaurants.

Shopping in Sydney is a real pleasure, with the Rocks for souvenirs and art by the Harbour Bridge or the Westfield in the city centre, major department stores, the Strand Arcade and the spectacular Queen Victoria Building elegantly restored in the 1980s.

There is no shortage of options for day trips, including driving along the Grand Pacific Drive from the Royal National Park winding through the rain forest to the coast. The Blue Mountains and Hunter Valley are great to visit time and again.

MELBOURNE VICTORIA

Climate

Melbourne has warm generally dry summers, with temperatures occasionally going over 30°C. Autumn sees cooler weather with morning fog usually clearing followed by fine, sunny days. In winter, average temperatures range from 6 - 14°C and snow falls in the north-east of Victoria, known as High Country. The weather is frequently cold and cloudy, and nights can be accompanied by frosts. Heavy rain is rare at this time of year. October is the wettest month with roughly 10 days of rainfall.

Employment

Melbourne, as Australia's second largest city is also a major Australian business centre. Two of Australia's 'Big Four' banks (ANZ and National Australia Bank) and many pension funds are based there. Ford, Holden and Toyota are based here as well as Australia's largest company, BHP Billiton and many technology companies, particularly biotech. It is also Australia's largest port.

Lifestyle

The climate, waterfront location and nightlife make Melbourne one of the most vibrant cities in Australia. Enjoy the public artworks in the Docklands, stroll along the south bank of the Yarra River to explore the arts precinct or make your way to Southbank and South Wharf for waterside dining, drinking and shopping. The Laneways bustle with boutiques, hole-in-the-wall cafes, restaurants and bars.

Collins Street with its designer stores and heritage buildings is often referred as the 'top end of town' and is the home of the major international brands. You can find Melbourne's designers and a more hip culture in Little Collins and Howey Place.

If you are travelling further afield you can set off along the Great Ocean Road for a scenic coastal drive or discover the wineries in the Yarra Valley, Mornington Peninsula and Geelong wine regions. You can ski in the High Country in winter or enjoy an adrenaline rush from activities in the summer.



BRISBANE QUEENSLAND

Climate

Brisbane has a subtropical climate with warm or hot weather for most of the year. Summer temperatures range from 21 - 30°C accompanied by its highest rainfall of the year with some thunderstorms and occasional floods. Average rainfall during this time is 427 mm. In the autumn average temperatures and humidity drop to 15 - 25°C and there is less rain. Winter is generally dry and mild with mean temperatures between 11 - 21°C. Early mornings and nights can be crisp, but overnight lows rarely drop below 9°C.

Employment

Brisbane with a population of 1.1 million has one of the busiest ports in Australia and has benefited from the recent 'resources boom.' The Queensland Government has recently invested heavily in biotechnology research.

Lifestyle

Brisbane with its subtropical climate lends itself to an outdoor lifestyle. The river, Roma Street and South Bank Parklands and City Botanic Gardens bring nature into the heart of the city. Just ten minutes out of the city you can enjoy the bush trails of Mount Coot-tha. You can travel a little further to enjoy the lush rainforests and spectacular mountain ranges of the Scenic Rim or spend a day or two in the Moreton Bay region. On Moreton Island, one of the largest sand islands in the world, you can enjoy the beaches and sand dunes, go quad-biking or dive into the crystal-clear waters and scuba dive or snorkel happily for hours.

Shopping is available at more 1,000 stores at The City, Queensland major shopping precinct or in Fortitude Valley with its local designers or Paddington for vintage and designer fashion, homewares and books.

Al fresco dining with local produce from Lockyer Valley or Moreton Bay prawns is a real delight. Pubs, bars and live music venues allow you to continue the evening's entertainment. You can see emerging bands as well as national or international acts in West End and Fortitude Valley. Alternatively, comedy, musicals, live theatre and dance can be seen at the Brisbane Powerhouse and QPAC.





ADELAIDE SOUTH AUSTRALIA

Climate

Adelaide enjoys mild winters (average 16°C) and a warm, dry summer (average 29°C). Adelaide has low humidity and temperatures can occasionally soar to 40°C in the summer. June is the wettest month, averaging around 80mm, but it is the driest of the Australian capitals.

Employment

Adelaide is Australia's manufacturing centre, although the healthcare industry is the state's largest employer. It has a sizeable automotive industry and is a A\$1 billion per year manufacturing base for defence technology. South Australia is also the country's largest producer of wine.

Lifestyle

Adelaide with its laid-back attitude and warm climate is family-friendly but also has a vibrant bar scene and many festivals to suit most tastes. Within 20 minutes you can go from the bustling city centre to beautiful beaches.

The laneway quarter around Peel Street, Gilbert Place and Leigh Street has an active small bar scene. There are many top restaurants run by international names as well as locals. Norwood, less than three kilometres from the city centre offers al fresco dining.

Family friendly beaches to the north and surfer beaches to the south. There are hundreds to choose from and the climate allows you to enjoy them virtually all year.

The Adelaide festivals cover arts, film, music, cabaret and there is a diverse range of comedy shows and theatre to satisfy your desire for cultural events.

Wine is a major part of life in and around Adelaide. The National Wine Centre of Australia is in Adelaide and Barossa, Koonawara, Eden Valley and McLaren Vale are just some of the 18 world-renowned wine regions nearby.

PERTH WESTERN AUSTRALIA

Climate

Perth enjoys hot, dry summers (18 - 30°C) and mild winters (8 - 19°C). In the afternoons in summer a sea breeze called the 'Fremantle Doctor' can provide some relief from the heat, but there is virtually no rain. Winter, however, can bring heavy downpours and thunderstorms.

Employment

Perth has Australia's fastest growing economy thanks to the demand for iron ore, coal, oil, gas, and other mineral resources. The resources boom has led to low unemployment rates and more jobs in retail, construction and service industries.

Lifestyle

Perth is proud of being Australia's sunniest capital city with glorious sunsets over the Indian Ocean. In King's Park and Botanic Gardens it boasts one of the largest inner city parks in the world, just a 15 minute walk from the city centre. Perth has 19 white-sand beaches, including Cottesloe Beach, Cable Beach and Lucky Bay. The Swan River Foreshore is a great place for a walk or cycle ride.

Shopping is available in King Street where you can find high-end fashion boutiques or at The Murray and Hay Street malls. More eclectic options are available in Northbridge, Mount Lawley, Leederville, Subiaco or Victoria Park.

Fremantle, thirty minutes from Perth, offers a blend of the old and the new with well-preserved colonial streets, Fremantle Prison and museums alongside bustling markets, lively bars and street cafes.

Rottnest Island provides a great day out close to the city with stunning beaches, bays and coral reefs.

Travelling a little further you can see Margaret River with its vineyards, forests and ancient caves or up to the fringing reefs in Exmouth and the Coral Coast or see the sub-tropical wilderness in Broome and the North West.

FINANCING THE PURCHASE OF A PROPERTY ABROAD

If you plan to buy a property abroad and you are unable to purchase the property using your own funds you will need to obtain an appropriate mortgage.

If you borrow the money at home, but your income is going to be paid in the country where you are buying your new home, you will need to consider the foreign exchange exposure, as the monthly cost will fluctuate with the exchange rate. You can use forward foreign exchange deals to fix the exchange rate for a period, but ultimately the exposure will remain and you should take advice on how to manage the risk.

There are basically three options to finance your purchase:

1. **Re-mortgage your existing home** - This can be the easiest option if you have sufficient equity in your home. However, the repayments will need to be covered and you will need to satisfy the lender that you have the income or other assets to make the payments. If you are going to be earning in a foreign currency this will leave you open to exchange rate risks.
2. **Borrow from a domestic bank** - There are some banks that will lend on overseas property, particularly those with international networks. Your relationship with a domestic lender can seem an advantage, but you will need to compare the terms with what can be achieved in the country where you are buying the property. The availability and terms will also vary depending on where you are buying the property.

Higher deposits and shorter terms than would be seen on domestic mortgages may result in higher repayments.

For newer and less popular locations it may be more difficult to find a bank willing to lend and the terms may be less favourable.

In some countries the location of your mortgage can have tax implications at home or abroad for capital gains and inheritance tax. There may also be implications for the taxation of any rental income if you plan to rent out the property for all or part of the year. It is worth taking advice to ensure you understand any issues.

3. **Arrange an overseas mortgage** - There are many brokers able to identify overseas mortgages available to foreign buyers on favourable terms, or you can approach the major banks yourself.

There are many places where interest rates may be lower than in your home country. The terms available will also be different with many working out affordability based on your income. With different data protection laws across the globe it can be difficult to share personal information across borders, so a strong credit rating at home does not necessarily apply abroad. You may not therefore get the same deal as would be available to a local with established credit.

The process used to assess your eligibility for a mortgage will be similar wherever you apply for a loan and will involve an assessment of your income, assets, spending and credit history. The loan to value and other terms will vary however.

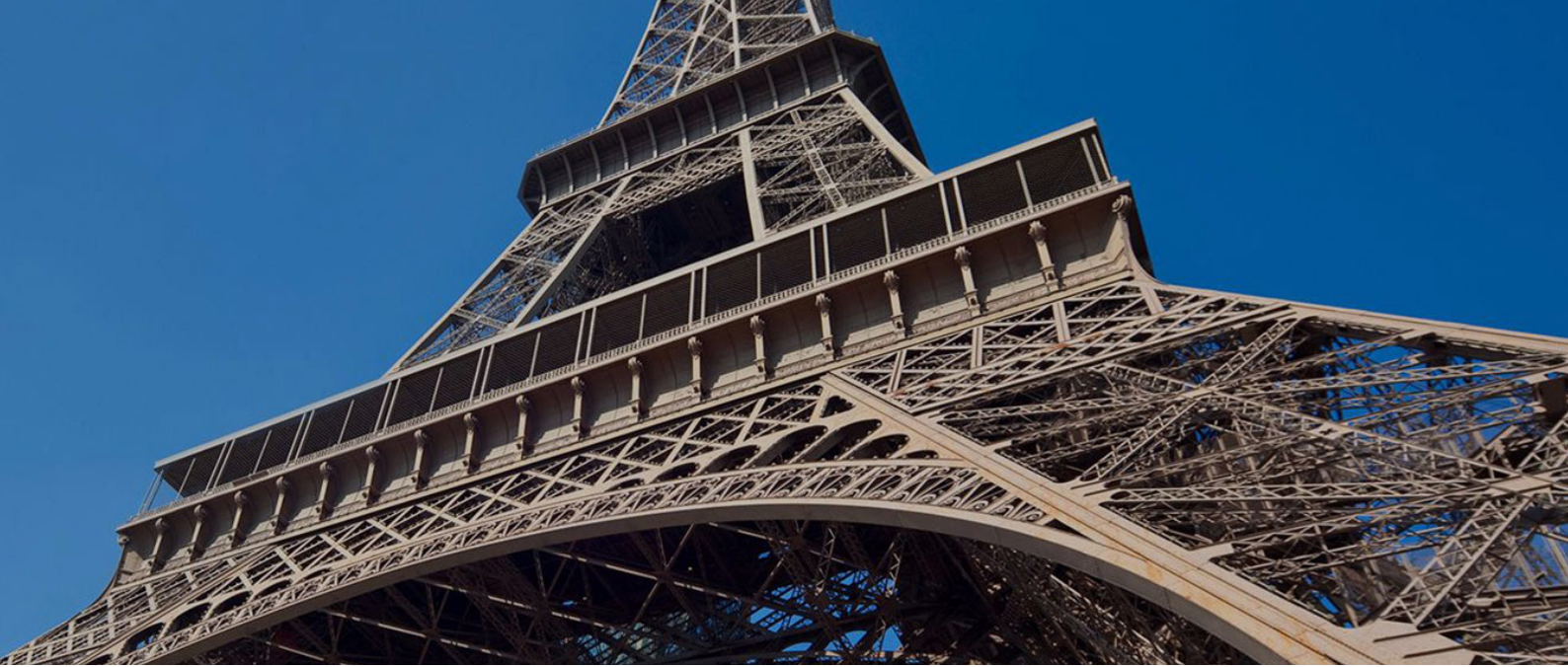
You should consider the pros and cons of borrowing in the local currency. It will tie the currency to the value of the property, but you need to consider which currency your other assets and income are reliant on. If your income is tied to your home currency the cost of your payments will fluctuate with the exchange rate - positively or negatively.

The regulatory environment in the country should also be considered to see what protection you will have in the event of problems, such as the failure of the lending bank.

Whichever option you choose it is worth obtaining advice from an advisor who has experience of the market where you are planning to buy. There can be tax implications of your funding approach as well as other local issues.

A broker will be able to identify your options quickly and having an idea of what is achievable (and ideally securing an agreement in principle) will ensure that you look at properties that you will be able to afford.





FRANCE CONTINUES TO ATTRACT EXPATS

France remains one of the most popular expat destinations in Europe, with around 160,000 Brits and an estimated 100,000 Americans living in France. The most popular areas for British expats are Ile de France, Midi Pyrénées, Aquitaine and Poitou Charentes. Over half of American expats live in Ile de France with many multinational businesses based in Paris.

Whether it is work that draws you to live in one of the major cities, or the prospect of the easy-going lifestyle and attractive scenery of a rural location, France has much to offer.

Property

Transaction volumes and prices are still rising according to Notaires de France with volumes reaching an all-time high in the year to October 2017. Low interest rates underpin the market and Notaires de France expect growth to continue in 2018 peaking later in the year, but with the market remaining healthy.

British buyers account for 14% of non-resident buyers up from 9% in 2009 reflecting the continuing stream of British investors in French property despite continuing uncertainty from Brexit. The property agents, French Entrée, report an increase in British budgets to €310,000 from €277,000 this time last year. This is supported by figures from Notaires de France who report that buyers are now paying 8% more for older houses in Bordeaux, 9.5% more in Tours and 8.9% in Montpellier. Fleur Buckley of French Entrée commented:

“Brexit had an initial impact on British buyers looking for a second home in France, though those looking to relocate forged ahead regardless. Buyers of second homes have since been reassured by the stabilising pound and the buoyant French market.”

Paris Property Group point to a range of tax and property reforms planned by President Macron that should support the property market, including proposed new short-term leases, an increased threshold for furnished rental landlords' liability to Micro-bic tax and the graduated removal of four out of five households from the taxe d'habitation.

Whatever the advice on the expectations for the market there remain many opportunities to buy attractive properties as part of a move to a new lifestyle. Logéres in Brittany and Normandy, a rambling farmhouse with outbuildings in the Dordogne that can be turned into holiday homes, an apartment with views over the French Riviera. There are many options and you need to decide what is best for you.

Working in France

With major multinationals operating in Paris and other large French cities, international assignees often find themselves based around the major conurbations. For many people who can ply their trade wherever they want, or who simply need to have access to the internet and a phone, it seems an attractive choice to move to the French countryside and enjoy the improved climate and lifestyle, rather than stay in the UK in the rain.

Holders of US, Canadian, British and other European Union passports do not need visas for stays in France of up to three months. EU nationals do not need visas to live or work in France. Other passport holders may need to apply for appropriate visas. The French Ministry of Foreign Affairs is your best source of current, detailed information.

Visas and working papers, if needed, must be obtained before you leave your home country. Residence cards are obtained after your arrival in France. Together, these papers represent the terms under which you may reside and work in France.

If you want to take your trade or profession to France to work there or set up in business in France you can apply to have your qualifications recognised in France by applying to CIEP.

Income Tax

France will consider you tax resident in France if your main home is in France; if you spend more than 183 days a year there; if you spend more time in France than in any other country; or if your principal activity or your most substantial assets are in France. The Statutory Residence Test determines your residence status in the UK. You can only be tax resident in one of the countries and the Double Tax Treaty determines which will prevail if there is a conflict.

Income tax is charged at progressive rates from 14% on income over €9,807 with a top rate of 45% on income over €53,783. The tax applies to household income rather than to the individual members. It is possible to avoid higher rates by dividing the household into a number of parts familiales. Social charges are payable on top of this and range from 8.3% to 17.2% depending on the type of income.

Healthcare

France has one of the best healthcare systems in Europe funded partially by obligatory social security contributions (sécurité sociale), which are usually deducted from your salary.

In 2016 a new universal healthcare system known as the Protection Universelle Maladie (PUMA) was introduced which guarantees everyone who works or lives permanently in France (longer than three months) has access to French healthcare and reimbursements.

When you see a doctor or have medical treatment, about 70 percent of the doctors' fees and 80 percent of hospital costs will usually be reimbursed through the French healthcare system, so long as you are referred by your 'attending doctor'. In the case of some major or long-term illnesses, all of the costs are covered.

The balance must be paid for by the patient or through supplementary private health insurance. It is worth taking out top-up health insurance (l'assurance complémentaire santé).

The French healthcare system is considered among the top healthcare systems in Europe, scoring well for the abundance of doctors, low waiting times and good healthcare spending, although French doctors tend to medicalise many conditions and prescribe large numbers drugs.

Retiring in France

With France so easy to get to from the UK, France is the most popular retirement destination for Brits, behind Spain. The cost of living, leading healthcare and agreeable climate, are all factors. When added to the attractive countryside and quaint towns and villages, not to mention the excellent food and restaurants, there is much to appeal to you if you are considering of retiring to France.

Although there are many expats in France it is important to integrate and it is well worth ensuring you learn the language so that you can settle in to the local community more easily.

Blevins Franks, expat financial advisers, point out that investments such as ISAs, PEPs and Premium Bonds which are tax free when you are resident in the UK will become subject to French tax. Tax-efficient vehicles are available to French residents: these help to minimise wealth tax and estate taxes, and are beneficial for French succession law purposes.

UK pensions remain index-linked if you receive them having moved to France. As you are subject to French tax on your worldwide income your pension will be taxed in France, but there are higher thresholds before tax becomes payable. If you decide to take a lump sum it will be subject to tax in France, but this will be income tax at 7.5% (plus 7.4% social charges which Blevins Franks advises are often waived for UK nationals).

You also need to give thought to your will as French inheritance rules are very different to the UK, with French succession law dictating how your French estate is divided between your family. Divorced and unmarried couples, or those in a civil partnership, may face issues and conflicts between provisions made in the UK and France. You should ensure you take advice before you become tax resident in France.

Whatever takes you to France, you will be able to take advantage of the climate and relaxed lifestyle and enjoy eating excellent food - whether prepared yourself from ingredients found in a local market or in one of the many first class restaurants - as well as enjoying the wine or a French aperitif.

More information can be obtained from our *Moving to France* section or by downloading our free *Guide to Living in France*.



POPULAR REGIONS OF FRANCE

Moving to France remains a popular choice amongst expats looking to change their way of life. There are many different French regions to choose from and each has its attractions, but the following four have proved to be consistently popular with people looking to move to France to live and work, or to retire.

Brittany

Brittany is France's most westerly region and its proximity to the UK makes it easy to get to. It has a large expat community. Brittany is very proud of its culture and language and expats find it easy to settle in as the people are generally warm and welcoming.

The region has great beaches, coastlines and coastal towns and inland there are medieval towns and villages, forests and green countryside. The northern part of the region can be windy but the southern part tends to be sunnier with occasionally very hot periods on the southern coast.

Finistère is a tourist region and the area around Quimper is popular with British buyers. Coastal properties command a premium, but inland there are larger properties available at reasonable prices. Longères, the long traditional farmhouses, medieval townhouses as well as more substantial detached houses provide attractive investment opportunities.

The areas around Quimper and Dinan, on the river Rance are popular with British buyers. Vannes near the Gulf of Morbihan with its attractive coast are popular with both expats and Parisians resulting in higher prices than other parts of Brittany.

Languedoc-Roussillon

The Languedoc-Roussillon region has become increasingly popular with foreign buyers over recent years. The region has stunning natural features such as the Camargue and the Canal du Midi as well as historical sites, such as the World Heritage site of Carcassonne.

The northern area of the Languedoc is sparsely populated with small rural towns. Its appeal is for those who enjoy a quieter and outdoor life and, although it is not popular with British buyers, it is more affordable than many areas.

The area around Nîmes has dramatic gorges and the Camargue to the south, a natural marshland famous for its flamingos and wild horses. Uzès is an attractive and popular medieval town with its narrow streets and shaded squares.

Montpellier is the fastest growing city in France and is in increasing demand, but prices are fairly high driven by demand from domestic and overseas buyers. The city is surrounded by attractive villages and vineyards.

Perpignan has the dramatic landscape of the Pyrenees as a backdrop. The area is generally more affordable and there are coastal resorts with very affordable apartments but also premium areas such as Collioure.

The Dordogne

The Dordogne lies between the Pyrenees and the Loire Valley and is famous for its stunning scenery, unchanging historic towns and has long been associated with Brits moving to France. The cuisine in the area with foie gras and duck confit is an added bonus.

Nontron, Périgueux and Bergerac are popular, but it is the rural areas that are the highlight.

Bergerac with its surrounding vineyards, attractive countryside and stretches of the Dordogne River is a popular but pricey area. Périgueux with architecture dating back to Roman and Medieval times offers affordable modern homes as well as older renovation opportunities.

Nontron is set up high with excellent views over the valley of Bandiat. It has a quiet centre with half-timbered and Renaissance buildings and property in the area is surprisingly affordable.

Provence

Marseille with its long history as a major trading port went through a period of faded glory, but new parks, museums, public spaces and real estate projects have been built to restore the city. The area has very low rainfall and the temperatures in the summer can be very high.

The Côte d'Azur enjoys glorious views over the Mediterranean and some of the most famous and sophisticated coastal resorts in the world. Cannes, Nice, Antibes, Saint-Jean-Cap-Ferrat and Monte Carlo conjure up images of quintessential French glamour and there are many wonderful homes along the coast. There are an enormous number of excellent restaurants, vibrant local markets and no shortage of cultural and other events.

Not surprisingly the cost of living and property prices are high with average prices higher than Paris and the area is very busy with tourists throughout the season. If you want to find better prices you will need to move away from the coast and city centres. Inland you can find more affordable apartments, as well as farmhouses and attractive homes in rural villages.

In the Hautes-Alpes and the Alpes-de-Haute-Provence where skiing and cycling is popular and prices are lower. Just outside the region Savoie and Haute Savoie are very popular skiing resort areas and, although the top ski resorts such as Courchevel are very expensive, some of the less well-known resorts are more affordable.



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RENTING OR BUYING PROPERTY IN FRANCE

For many people, the key attraction of moving to France is the opportunity to buy an old farmhouse deep in the country to renovate and then to settle into a rural lifestyle. Others are drawn to a more cosmopolitan way of life in Paris. With high prices in Paris it is generally more practical to rent rather than buy, but buying is more common in rural areas.

Renting

Property law in France generally favours the tenant, but it can be difficult to find suitable properties to rent in popular cities and neighbourhoods and this obviously has an impact on prices. Rents in Paris vary significantly between different areas and range from €2,200 to €4,500 a month for a three-bedroom apartment. In a smaller city like Strasbourg the same properties are available for €900 to €2,000.

Tenants of unfurnished (*vide*) properties get greater protection than for furnished properties. Unfurnished properties are generally let for a minimum three-year lease term. You can generally give three months' notice to leave early. Tenancies for furnished properties are shorter with a one year lease term.

Properties available for rent can be found listed in local papers, in estate agents' windows or on property portals.

The process is straightforward, and you will generally deal with the estate agent rather than the landlord. You will be expected to provide proof of identity (passport, driving

licence etc), and employment (employer reference), student card or business statement, as well as evidence of means of financial support (last three payslips, pension, tax return etc). You may also be asked for a rental reference: one from your previous country of residence will be acceptable if you have just arrived in France.

The tenancy agreement does not need to be witnessed by a notaire and any deposit should be held in a shared account. If this cannot be agreed, you should ensure you have a receipt that clearly states it is paid as a security deposit (*dépôt de garantie*).

As a tenant in France you can be required to take out home insurance against damage from water, fire and explosions. You will need to be sure whether the tenant or landlord is liable for city taxes, utilities and charges for communal areas. Tenants also have responsibility for minor repairs and routine maintenance. The tenant will also generally be responsible for the property tax (*taxe d'habitation*).

Buying

The property buying system in France is better regulated than in many countries, making a purchase safer, but more expensive. Agents charge the seller around 5-7% of the price, which is usually included in the advertised price. On top of the purchase price, allow for 7-10% in fees and taxes, including the notaire's fees of around 1%.

It is best to ensure you use licensed agents (immobilier) who have a Carte Professionnelle and will be professionally insured and work under the Loi Hoguet, their code of conduct. They will generally be in a professional body such as the FNAIM, with its own additional rules.

Mortgages of up to 85% loan-to-value are available from the big French banks, some international banks such as HSBC and Barclays, the French post office (La Poste) and 'mutual' banks such as Cr dit Agricole and Cr dit Mutuel, with interest rates historically lower than in the UK.

If you are looking for property in a specific area of a city you can look for A Vendre signs or use a portal such as www.seloger.fr or one of the British-run portals such as www.1st-for-french-property.co.uk. In rural areas it can be difficult to find properties and an estate agent can be essential.

Even a verbal offer is generally regarded as binding, but it is best to make the offer in writing. Many French buyers will not use a lawyer, but as an expat it is safer to have an independent lawyer or at the very least your own notaire. Don't forget, the agent is working for the seller, not the buyer.

Before the sale proceeds the seller will have to pay for certain tests – the Dossier de Diagnostic Technique (DDT) – covering such concerns as asbestos, energy efficiency and termite infestations.

Most sellers will wait to receive an offer before doing these, which often replaces a survey when locals buy from each other. Many non-French buyers, however, will want a proper structural survey.

With the offer accepted and tests completed, you will be asked to sign the compromis de vente, drafted by the agent or notaire, and pay a 5-10% deposit to the agent or notaire. The compromis will be binding subject to agreed conditions, such as a mortgage being secured or planning approval. After signing you have a seven-day cooling-off period during which you can withdraw via a registered letter and get your deposit back.

Around 8-12 weeks later the acte de vente, completion, should be ready. You will sign this at the notaire's office, having transferred the remainder of the purchase price and insured the property. On signing you are given the keys.

Off-plan and new-build buyers are also well protected, with bank guarantees in place for each new development to ensure it will be completed even if the developer or builder goes bust. Buyers also have a ten-year guarantee. Fees are 2.5-4% for new build property but VAT is 20%.



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THE EXPAT CHILD: CHALLENGES AND OPPORTUNITIES

by Nigel Ayres

Moving internationally always brings challenges, but throw the kids into the mix and the issues multiply. The good news is – and I speak from personal experience – that in the vast majority of cases the experience is a positive one and living the life of an expat child develops positive qualities that can stand your children in good stead as they grow up.

Delivering the news is the first challenge and the approach will be very different depending on the age of your children. You can expect a combination of excitement and trepidation. There will inevitably be many questions, but they may not always come out with them straight away. Older children will generally have more issues to deal with than younger ones as they have more established friendships. With support and a little patience, however, they will adapt, especially if you actively involve them in all aspects of the move and focus them on the excitement and opportunities.

Members of your wider family who will not be coming with you are another factor. Many will understand why you are going and perhaps envy you. With Facebook, WhatsApp, Skype and other online connections, there is no excuse for failing to stay in touch. I remember the

days when a call home would be mainly taken up with our parents saying how much the call must be costing!! Depending on where you are going to live, a visit also becomes an opportunity for friends and family to really understand and share in your new lifestyle.

The impact on different age groups can vary significantly:

- **Babies and Toddlers** - Although they need constant attention there are fortunately few direct emotional issues for babies and toddlers. The main issues will be to ensure that bottles, favourite toys and any other important items are available throughout the journey. Packing them accidentally in your hold luggage – or even your shipment – is to be avoided. Once you have arrived routines are important in helping them to settle into their new home.





- **Four to Eight Years Old** – Although younger children will have friends at school and locally, they will generally be pretty adaptable. If required, this age group can learn a new language fairly easily provided it is made fun. You will need to be patient in responding to all of the questions they will have: it is important to emphasize the positives and to be prepared to constantly reassure them. I remember that a planned move to Malaysia suddenly became exciting rather than frightening when we told our five-year-old son that there were monkeys swinging in the trees outside the balcony of the flat we were going to be renting.
- **Nine to Twelve Years Old** – There will inevitably be greater difficulties when dealing with this age group as they must come to terms with leaving their friends. They may direct their anger and confusion at you and honesty in handling their concerns and involving them in decisions as far as possible can help. Emphasize the positives and be sure to point out new opportunities such as clubs and activities that have always interested them. Once they have arrived our experience has always been positive, as new neighbours, colleagues and the schools have been used to the arrival of new families from afar.
- **Early Teens** – The early teens can be a difficult period anyway and major disruption to their lives and leaving well established groups of friends can only add to this. Getting them excited about the move, pointing to the great opportunities and engaging them in the decisions can help, but there are no guarantees. Engaging with their friends, pointing to a return for a trip at some defined point and fitting in a leaving party before they leave will help them to adjust. It is important to consider the school year and the stage that they have reached in their education can be a major factor. When our kids were younger we were able to move without major disruption, but when they were older we had to wait until the end of the school year leaving me to start my new job and stay in an apartment for a few months. Education choices become even more important as children enter their teens and if you expect to return home it will help to find a school that follows a compatible syllabus, if achievable.

- **Sixteen to Eighteen Years Old** – As they get older and more mature you can hope for an increasingly rational response, but the prospect of leaving their friends and lifestyle will create just as many issues. Moving them can also be very disruptive to their education. We have had to leave our children at a boarding school as they were about to take GCSEs and A Levels and moving in to the American system at this stage was impractical. Where International Schools are available this can be an option. Support in planning the move and with encouraging younger siblings can be a real help.

Whatever the age of your children it is possible to get them to embrace the move and they will generally settle in to the new environment quickly. Information is key and listening to any concerns. An orientation trip to see their new home is a great opportunity when available and it is worth putting them in touch via social media with children of their own age who are already there.

The good news is that the experience of living abroad has a great and generally positive impact. The academics refer to Third Culture Kids (TCKs). This refers to the culture of their home country as the first culture, the culture of their new home is the second and the third is the amalgamation of both.

In the case of our own family having spent two periods in America, the reaction of our son and daughter was very different. Our son never lost his English accent, asked to go to the loo and benefitted from his English charm. Our daughter chose to blend in, speaking with an American accent and turning instantly back to English from American when speaking to a member of the family.

Both benefitted from the confidence that it gave them, as they adapted to their new life and got used to travelling internationally, sometimes on an unaccompanied basis collected at the other end by their grandparents. Not surprisingly, travelling around the world on their own in their gap years was taken in their stride and they showed great independence in their careers as well as an interest in travelling personally and professionally.

We never cease to be amazed by our children's ability to stay in touch with school and university friends from California, the UK and Vancouver and even random people they have met on their international travels. It is part of the life of a TCK that they have friends all around the world and seem to be able to keep in touch with them all and to get them to blend with friends who have not travelled in the same way.

Having lived abroad they tend to develop an international outlook (I grew up in the RAF moving every three years). Many follow this experience into their own adulthood and it is no surprise that our daughter has a career that requires her to travel to all parts of the world on a regular basis.

Whatever the challenges of getting your children to adapt to the idea of moving abroad, the rewards in the long run for most are well worthwhile.

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MONEY QUESTIONS & ANSWERS

The panel of financial experts at Expat Network is happy to answer your expat money questions. Here are the latest it has tackled...

THE IMPACT OF THE STATUTORY RESIDENCE TEST ON UK EXPATS WHO HAVE RETIRED ABROAD

A number of questions have been asked by members about the Statutory Residence Test and how it applies to them. We are publishing them here to help clarify the SRT rules.

Comment 1

One member asked how the rules apply to those who are retired and have chosen to live in another EU country and given up their home in England. If you have retired in Spain and receive a pension income from the UK where it is taxed, what is the position? If you become a resident in any other country on the continent and your pension arises in and is taxed in the UK, exactly WHAT is your 'Resident Status'? It's just not clear!

Jason Porter of Blevins Franks responded as follows:

The Statutory Residence Test (SRT) affects everybody who spends more than holidays in the UK or another country – it is a series of tests you can apply to establish if you have become UK resident, or non-UK resident, in a tax year.

In addition, it is often the case that when a UK national chooses to buy a home abroad, they do not immediately move, lock, stock and barrel to this home. There is often a period of years of transition, where time is spent in both, with homes which are occupied for periods throughout the year. These rules, though long-winded, help clarify a situation where previously there was a relatively sparse legislative framework.

Furthermore, these new rules mean if you do leave the UK to live abroad, the number of days you can spend in the UK could be less perhaps in the first couple of years, compared to later. This is because you will have spent more than 90 days in the UK in the previous two years (as you were resided there), and you may have retained your UK home, and inevitably, you will spend at least one night there in a tax year going forwards.

These “ties” impact the number of days you can spend in the UK, before becoming tax resident.

You should also be aware that whilst the source of your income can come into a residency determination (eg., UK State Pension, UK company pension, UK dividends, UK bank interest), the number of days you spend in a country, your long-term intentions, and the fact you own property somewhere are far more important determinants.

Because of the way the new SRT works, it could mean you are resident in two countries, which means you then need to refer to the Double Tax Treaty between both countries to determine which is classed as the country of residence, to establish taxing rights.

Comment 2

And if you return to UK may be subject to a Double Taxation Treaty on money you earned overseas, unless you were lucky enough to be in a country who is not part of this treaty.

Jason Porter responded to this comment as follows:

The UK has probably the biggest network of double tax treaties in the world at 137, so there are not many countries where there is not a treaty with the UK present.

But, you will only be liable to UK taxation on income earned or received overseas in a tax year, if you are regarded as UK tax resident during that year, and in some cases, if you return to the UK and become UK tax resident within 5 UK tax years of leaving the UK.



AS AN EXPAT, WHY DO I PAY TAX ON UK PENSION?

I have lived in Thailand for 12 years and am now 74. I have only been back to the UK once in that time so I consider myself non-resident in the UK. I have been paying UK tax on a private pension since the age of 66 though I have not set foot in the UK in that time. Surely that makes me a non-resident, so why am I paying tax?

You are non-UK tax resident, and Thailand tax resident. This means you would only have a liability in the UK on certain UK sources of income, such as a government pension (e.g. a teacher's pension, and not the state pension), rental income, and investment income in certain scenarios.

It is possible you have not told the private pension company of your change in residence status, and they have not been advised by the UK taxman, HMRC.

According to Jason Porter, director of expat financial advisers Blevins Franks, you should advise both immediately. "You might need to prove it with some documentary proof of your status, perhaps a Thai tax

return, or other evidence," says Porter. "I suspect they have been deducting 20% tax, and you are still able to recover this. You are also able to change the treatment in the future to a zero-tax code on the payments.

"If the reason you overpaid tax was your fault - i.e. if you did not let HMRC know you were non-resident it is your fault, but if you told them and can prove it, it is likely to be their fault - then the deadline for claiming is four years after the end of the tax year you're claiming for. However, if HMRC made a mistake, you might be able to claim further back than this.

"You will need to submit UK tax returns for the previous years, showing you are non-UK tax resident, and a tax resident of Thailand. This will include the gross UK pension in the year and the tax paid, plus any other UK sources of income. As the tax treaty gives Thailand the taxing rights on the pension, the UK tax paid can be recovered. You will need to declare the private pension on your Thai tax return."

CAN I USE SPLIT YEAR TO REDUCE MY TAX LIABILITY ON MY RETURN TO THE UK?

We are returning to the UK after 20 years in Dubai. My husband has taken redundancy and we were hoping that his salary plus end of service benefit was going to be received and transferred to the UK before our return, unfortunately due to the slow cancellation of Visas etc this is looking less likely. He has secured new employment in UK starting 12/3, not sure how all this will affect our tax implications. Will we be liable for split year taxation or for whole of tax year?

Trevor Wilkes, Principal of Trewtax Services responded as follows:

As you may be aware, liability to UK tax whilst you are employed overseas is driven by your residence status

and the Statutory Residence Test. As a result, you will either be non-resident or resident for a particular tax year. For the years of departure or arrival you will be resident unless you are able to meet the strict criteria which enables you to split a tax year into non-resident and resident parts. This will therefore have a direct bearing on liability in respect of income tax and I appreciate your concern is in respect of your husband's employment income package.

This is a particularly complex aspect and not something which can be determined from the details provided. Consequently, your husband's tax position should be reviewed in depth and as quickly as possible bearing in mind his imminent return to the UK within the coming 2 weeks.



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