

# HOUSING: FREQUENTLY ASKED QUESTIONS



## Do I have to sign a rental contract or lease?

A written rental contract is necessary if the accommodation is the **main place of residence of the tenant** (you can download a model of a rental contract on the following website : [www.pap.fr](http://www.pap.fr))

### Mandatory clauses

- The rental term lasts one year and is tacitly renewable for another year except in case of leave taken by the tenant or the landlord.
- The tenant can leave anytime with a one month notice
- At the end of the rental contract, the landlord can, while respecting a three month notice:
  - Renew the contract with modifications of some terms (more particularly the rent); if the tenant accepts, the contract is renewed for a year
  - Refuse to renew and explain the refusal by the decision of taking back or selling the accommodation for a legitimate and serious reason, or more if the tenant hasn't carried out one of their obligations

**Exceptional case:** when an accommodation is rented to a student, the term of the signed lease can be limited to 9 months; the lease is then not automatically renewed.

### Non-regulated clauses

Security deposits, service charges and the obligations of the landlord and the tenant are not regulated. You have to make your relationships clear from the start, and you have to make provision for:

- The term of the lease (one year minimum), but also when it starts
- The deadline for the tenant's notice (one month) or the landlord's notice (three month), and the terms of leave (form and duration)
- The amount of the lease, its payment and revision terms
- The amount of the charges (services charges, repairs and taxes that the tenant will have to pay to the landlord). Charges are not regulated; they can be paid at a fixed rate or through deposits with periodic regularizations.

- The amount and the return terms of the security deposit that the landlord can ask to protect himself against possible damages that could be done by the tenant.
- The obligation of the tenant to take out rental risks insurance
- The conditions subsequent that the landlord may consider useful to end the rental contract in case of non-payment of the rent or of the charges, or in case of absence of insurance.

Landlords and tenants can freely agree on reciprocal and more or less restrictive obligations.



## Can I benefit from the housing grants of the CAF (French National Insurance Institution)?

Depending on your accommodation and your family situation, you may benefit from one of the following grants:

- The Aide Personnalisée au Logement (Individualized housing grant or APL)
- The Allocation de Logement Familiale (Family housing grant or AFL)
- The Allocation de Logement Sociale (Social housing grant or ALS)

These grants cannot be drawn concurrently and the calculations of the amounts are performed under certain circumstances:

- Low resources
- Respect of the minimum comfort and surface area standards (for example 9 sqm for a single person)
- Available residence permit for foreign nationals (except for nationals of member states of the European Union, of the European Economic Area or of Switzerland)

If you share an apartment with several persons, each roommate has to make a personal application, and the amount of the grant will be calculated according to incomes and rent share. Be careful, every roommate has to have signed the lease.

You have to make your application as soon as you move in the apartment or the residence hall. You can fill in the application directly on the website of your Caisse d'Allocations Familiales : [www.caf.fr](http://www.caf.fr)

To contact the CAF, you can phone the following number: (+33)8 20 25 75 10 (0,118 € per minute)



## What is a security deposit ?

When you sign the lease, you will have to give your landlord (or the real estate office that manages the accommodation) a security deposit generally equivalent for a furnished accommodation to two months of rent except service charges, this security deposit is supposed to cover for the risks due to renting. This amount will be completely or partly paid back depending on the inventory of the accommodation that will be carried out when you will leave.



## Will the security deposit be debited from my account ?

The security deposit has to be paid to the landlord. If you give a check with the amount of the security deposit to the landlord, he has the right to debit it from your account, it is even recommended for the landlords to do so. If you pay the security deposit with cash, ALWAYS ask for a receipt. The security deposit will be paid back during the two months following your departure, after comparison of the inventory signed when you move in with the one carried out when you move out.



## Is it mandatory to do an inventory?

The *inventory carried out when you move in* is a document signed by the tenant and the landlord or manager, which is used to describe the state of the accommodation at your arrival. It is a kind of “picture” of the state of the accommodation before you move in and has to be done before handing over the keys. On the contrary, the *inventory carried out when you move out* will be carried out when you will leave, when handing over the keys. Please remember that it will be compared to the previous inventory to determine your responsibility in the damages done to the accommodation (and the cost of the several repairs to be done will be deducted from the security deposit).

Warning: The absence of an inventory when you move in doesn't protect you. You are assumed to have entered an accommodation in good condition.



## Does the landlord have to right to enter my accommodation when I am not present ?

Absolutely not, it is a forcible entry into a person's home. However, in practice, many landlords keep the keys of the rented accommodations and do some inspection visits, especially when they live nearby. You have to be prepared to live with such an inconvenience that is very difficult to prevent or even to punish. On the contrary, you have to let the landlord enter your accommodation, in case of works in the building or in case of visits made for future renting or selling.



## Do I have to pay the French Residence Tax ?

Unlike what we often hear about it, students are not exonerated. If you live in an in-town accommodation, you will have to pay. You have to take it into account in your housing budget. It is the same if you live in an accommodation with a hotel service that is subject to the local business tax. In every instance, the tax is entirely due, as long as you live in the accommodation on the 1st of January of the tax year, even if you only lived there between the 25 of December and the 15th of January.



## What does the expression "furnished accommodation" include ?

There is no law that defines what a furnished accommodation is, nor what kind of furniture has to be provided for the accommodation. Case law settled this matter. It appears that to have the right to use the expression *furnished accommodation*, this accommodation has to be provided with a defined list of elements such as **furniture, bed and mattress, utensils and dishes in a sufficient number so that the tenant is able to have a decent life.**

We can understand that the accommodation has to be "normally furnished," so that the tenant is able to live decently without having to bring other external furniture. Some comfort elements have to be provided so that the tenant is able to use them immediately and live correctly.

But case law seems to evolve with texts, and if until now a substantial equipping was sufficient, we see now emerging an **obligation for the landlord to make available for the tenant the essential equipment (in working order) such as fridge, hotplate and gas cooker** (Cass. Civ 3<sup>rd</sup> – 9<sup>th</sup> of February 2005). If not, and in case of litigation, the lease could be turned into a lease contract coming under the law of 1989 (destined for empty accommodations). A kitchen area is identified as "necessary" to enable the tenant to use the place normally.



### If I lease a room in my apartment, can I be exonerated of the taxes related to the income of this renting ?

Exonerations are only given to those who lease or sublease one or several furnished rooms that are part of their main accommodation, but only if the leased rooms are the main furnished accommodation for the tenant or the subtenant and **if the renting price is set within the reasonable limits of the 35<sup>th</sup> bis I article of the CGI** (French General Tax Code). In other words **only if the yearly rent per square meter of living space for the year 2008, service charges being not included, doesn't exceed the price of 163 € in the Ile-de-France region.**



### I want to leave my accommodation: how and when should I leave ?

**The tenant** has the right to **leave the accommodation anytime** (even before the end of the first year) only if the tenant gives a **one month notice** to the landlord by registered letter.



### My landlord wants a guarantor agreement. What is this ?

The landlord wants you to have a guarantor to **sign a security obligation**. Indeed, in most cases, landlords require that a creditworthy person, often the parents, stands guarantor for the payment of the rent. The landlord is free to accept the guarantor, and may refuse if this person is considered not credit worthy. In general, **guarantors are accepted when their net incomes are equal or bigger at least four to five times the amount of the rent, service charges included.**

But according to the article 161 of the law of the 17<sup>th</sup> January of 2002, a landlord is not allowed to refuse a security coming from a non-French person.



### I want to rent a studio for only 4 to 5 months. But people are telling me that I have to sign a contract for a whole year; is it true ?

It is indeed the case if the accommodation is **the main home of the tenant**. According to this hypothesis, the article L 632-1 from the Code de la Construction et de l'Habitation (French Code for Construction and Housing), coming from the law of the 18 January of 2005, requires the landlord to sign with the tenant a contract available at least one year.

The contract is necessarily tacitly renewable for one additional year, unless a leave is given by the landlord three months before expiration date. A tenant has **the right to leave anytime with a one month notice**. The only exception is when the tenant is a student; you may offer a non-renewable 9 month lease.

In any other case, you can only sign a contract available for less than a year only if the accommodation is not the main home of the tenant. It is for example the case of seasonal renting. The accommodation can also be considered a second home or just a pied-a-terre for the tenant: the term of the lease is then completely free. To sum up, to agree on a 4 or 5 month lease, it is necessary that the accommodation is not considered the main home of the tenant.



### What if my landlord wants me to have a home insurance ?

You are responsible to the landlord for the damages that you could cause to the apartment or to the building. The landlord has to get compensation in case of damage. If the landlord requires it, you will have to take out a home insurance.

The SMEREP is the French mutual insurance company for students, and offers packages for very attractive prices (for example: 47€ per year for a room). You can become affiliated on the following website [www.smerep.fr](http://www.smerep.fr)



### What is Loca-Pass ?

There are actually two types of assistance you may benefit from:

- The Loca-Pass **advance**: an organization will pay the security deposit for you,
- The Loca-Pass **guarantee**: an organization stands guarantor for the payments of your rent. If you were not able to pay, the organization in question pays the rent due and you will have to repay later.

#### Who may benefit from it?

- The employees of the liable companies
- Young people less than 30 years old
- **Students benefiting from state scholarships**

#### Case examination process

An authorization is automatically given for any applicant complying with the granting criteria. When it is complete, the application file is examined within 8 days. In the absence of answer during this waiting time,

the Loca-Pass advance or the Loca-Pass guarantee is considered granted. If the application is refused, the applicant can appeal to the board of directors of the CIL (Comité Interprofessionnel du Logement – French Interprofessional Committee for Housing) or to the governing body of the CCI (Chambre de Commerce et d’Industrie – Chamber of Commerce and Industry).

### **Where can I apply?**

Ask one of the organization taking care of the “1% Logement”(French “1% Housing” program). See the list on the following website: [www.uesl.fr](http://www.uesl.fr)



### **Does a student have to pay the French Residence Tax ?**

The French Residence Tax is a tax that every person occupying an accommodation has to pay on the 1<sup>st</sup> of January of the tax year.

As a student, you will also have to pay, unless you are leasing or subleasing a furnished room that is a part of person’s home. But if you do a declaration of income at your name and student address, you will enjoy some benefits.

Indeed, taxpayers with low incomes (students logically included) benefit from tax deductions. Depending on the case, a partial exemption may be possible. So do not hesitate to contact your local Tax Office.



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