Buying a home in Italy

Your step-by-step guide

OID OSSERVATORIO IMMOBILIARE DIGITALE

gate-away.com YOUR ITALY, YOUR HOME

Why Italy

How to buy a home in Italy

Property listings in Italy: things to consider

ABOUT GATE-AWAY.COM

Gate-away.com is **the leading Italian real estate marketplace** that since 2008 has been connecting buyers from all over the world with

1. a wide selection of **over 44,000 homes for sale** in Italy – and their number is still growing
2. local professionals.

With its user-friendly search filters, extensive listing database, news, info and guides about Italy and its real estate market, Gate-away.com is a **go-to resource** for buyers interested in this country as their overseas retreat or investors seeking profitable opportunities.

ABOUT OID

OID is an **Italian NAR bilateral partner**, founded in 2020, providing NAR training for professional REALTORS® who want to work with international clients.

We provide the NAR education to Italian real estate agents, giving them the needed skills to work with foreign customers.

Our association brings together expert real estate agents and brokers throughout all of Italy - from the Alps to Sicily.

Thanks to the high professional standards shared with NAR, we are able to help buyers and sellers from all over the world who wish to purchase a home in our beautiful country guiding them through the Italian legal procedures and bureaucracy.

The power of attorney

About Gate-away.com

About OID

WHY CHOOSE ITALY AS YOUR SECOND HOME ABROAD?

Those who are in the process of doing so or have already made this choice can give you the best answer.

According to a recent survey conducted by Gate-away.com among more than 70,000 subscribers to its newsletter, here are the main advantages of moving to Italy, which are also the reasons why people decide to buy a home in the country:

1. **Quality of life**: the majority of respondents said they seek an improvement in their lifestyle and think Italy offers it.
2. **Love for Italy**: they are attracted by the climate and landscapes, but also by the traditions and artistic and cultural heritage as well as the allure of the ‘made in Italy’ which encompasses food, fashion, design and craftsmanship.
3. **Return to the origins**: many are Italians who have emigrated abroad or descendants of Italians who wish to reconnect with their roots.

4. **Real estate market appeal**: compared to most nations in the Mediterranean area and beyond, Italy represents a safe and profitable investment due to the excellent value for money.

Curious to know who are the most in love with Italy as their favorite second home destination abroad?

1. **USA** with 28.8% on the total number of requests received for homes for sale in Italy on Gate-away.com
2. **Germany** 11.52%
3. **UK** 9.05%
4. **Canada** 4.87%
5. **France** 4.57%

Source: Gate-away.com annual report 2023

HOW TO BUY A HOME IN ITALY

You've chosen to invest in real estate in Italy, but what should you do next? Gaining a solid grasp of the purchasing process is crucial as it will help you steer clear of some of the typical pitfalls associated with home buying.

WHAT YOU NEED TO DO

✓ Obtain your Italian codice fiscale

The *codice fiscale* is a tax identification number made up of an expression of 16 alphanumeric characters which is essential in Italy for many things like:

- open an Italian bank account
- buy a mobile phone number
- sign any kind of contract
- obtain the residence permit
- get insurance
- take up employment
- start a business activity

HOW TO APPLY FOR YOUR CODICE FISCALE

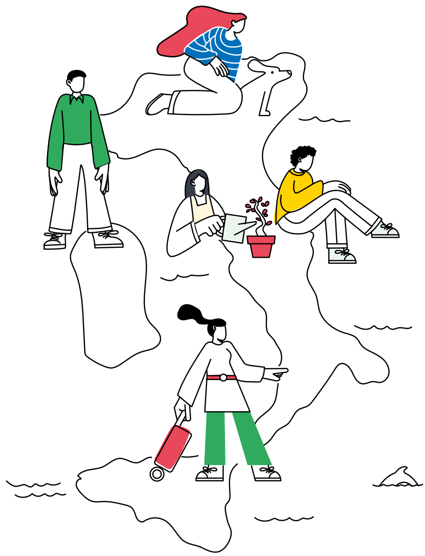
<u>If you are in Italy</u>:

– As a **non-EU citizen** go to the *Sportello Unico per l'immigrazione* at the *Prefettura*. It issues the tax identification number to citizens who apply for entry into the country either for employment purposes or to reunite with their family.

– Alternatively, go to any Police headquarters (*Questura*). It assigns the tax identification number to foreign nationals who require either the issuance or the renewal of a residence permit.

Bring with you one of the following documents:

- a valid passport with visa (if required)
- a valid residence permit
- an ID card issued by the municipality of residency in Italy.



<u>If you are abroad:</u>

Go to the Italian consular authorities or Embassy in your own Country. The card will be sent to the address that you wrote in the form.

As an alternative, an attorney or your OID real estate agent can apply for and obtain a tax code certificate on your behalf.

✓ Open an Italian bank account

It is essential to open a bank account in Italy to transfer there the funds for the completion (as the final payment normally happens in Italian bankers drafts) but also to get the various utilities paid automatically.

THE BUYING PROCESS

1 FORMAL PURCHASE PROPOSAL

When you decide to move forward, and buy a property in Italy, the negotiation starts with the purchase proposal (*proposta di acquisto*) that **must be written.** Usually a 10% deposit is requested.

Once the seller accepts the offer, the deal is legally binding. Accepting the price and the conditions means that he/she undertakes not to sell the house to anybody else until a certain date. This protects the buyer from losing the opportunity to purchase.

To be binding, the notification of the accepted proposal must be proven (with documents or email).

! **Do the home inspection BEFORE the offer.**

! Before going ahead, **check the title of the property** at the "Land registry" (*Conservatoria e Catasto*):

- Is it regularly registered?
- Does it belong to the person who is undertaking to sell it?
- Are there any loans on it?

2 PRELIMINARY AGREEMENT OF SALE

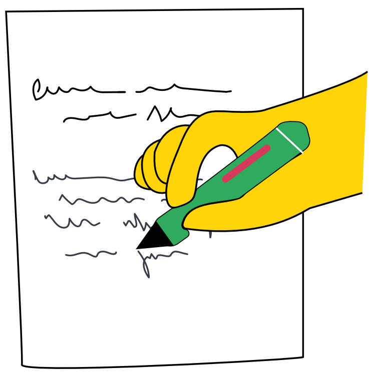
The accepted offer is legally a preliminary contract, but sometimes buyer and seller agree to sign a much more detailed contract called preliminare di *compravendita/ compromesso*.

It states the agreed sale price, the completion date (deed of purchase), the furniture inventory, and any additional obligation of the seller.

Once it is signed, the **deposit** (*caparra confirmatoria*) is given to the seller (there's no escrow). In some cases you can wire the money to a notary bank account until all the seller obligations are fulfilled. The seller may only withdraw if he pays back to the buyer the double amount of the deposit.

! Should the buyer wish to withdraw, he will lose his deposit in its entirety.

Two types of *compromesso*: **public document** and **private contract**. The notary can both draw up public documents or authenticate private deeds. It's better to have the notary in charge of these papers: he/she will guarantee the documents verification.



3 DEED OF PURCHASE

The deed of purchase (*rogito* or *atto notarile*) is usually signed after the *compromesso* – which is not mandatory as the definitive contract can be immediate – and only when all the documentation is available.

It is signed by both parties (in presence), the balance is paid and the property is officially transferred.

Following completion, the notary issues a certified copy of the deed of sale and registers a certified copy of the deed with the Land Registry (*Catasto*).

THE NOTARY

The *notaio* has no precise equivalent in countries with Anglo-Saxon law traditions.

He or she is a neutral and impartial party who validates the contracts transferring ownership of a property, drafts the new deed that cites you as the owner, and witnesses your handing over of the final payment and the vendor giving you the keys to the property.

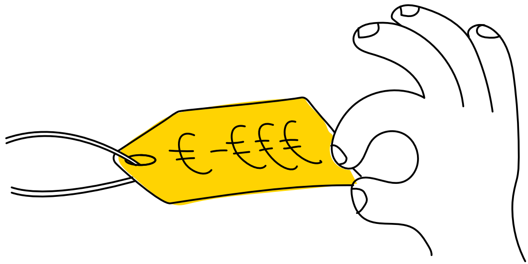
You should also engage a solicitor to exclusively look after your interests, if needed.

PURCHASE COSTS

The total fees for buying a property in Italy are approximately 10 to 20 percent of the purchase price.

1 AGENT'S COMMISION

In case you rely on a real estate agency to find your dream home in Italy, you will pay a **commission** which goes **from 2% to 5%** of the purchase price + VAT (I.V.A.) 22% of the fee. Usually this percentage is not split between buyer and seller, but each one has to pay the commission.



2 STAMP DUTY – LAND REGISTRY TAX – CADASTRAL TAX

Imposta di Registro – Imposta Ipotecaria – Imposta catastale

They are the three main taxes you have to pay when you purchase your home in Italy in addition to other minor taxes.

— If you **buy as a private entity**, the "cadastral declared value" of the property on the deed of sale usually represents the basis upon which they are applied.

— If you **buy as a company**, the base upon which taxes are applied is represented by the commercial price of the property.

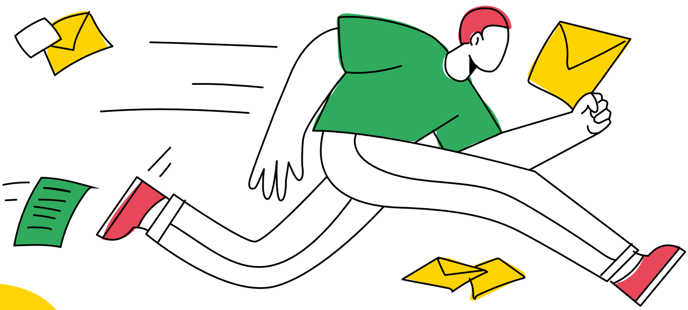
Their amount varies depending upon the type of property as well as the subjective characteristics of both the seller and the buyer:

A. Deeds of purchase stamped at the appropriate stamp duty = if the seller is a **private owner** – **real estate agency** - **developer** or **restructuring company** that sells after 5 years from completion of work and opts **out of the VAT regime**:

- Stamp duty:
  — 2% for **primary home** (always applied on the cadastral value with €1,000 as minimum payment due);
  — 9% for **second home** (€1,000 is its minimum payment due).
  —> It is applied on the cadastral value if the buyer is a private entity.
  —> It is applied on the purchase price if the buyer is a business entity
- Land registry tax: €50 (fixed rate)
- Cadastral tax: €50 (fixed rate)

B. Purchase subject to VAT (Value Added Tax) = if the seller is a **developer** or **restructuring company** that sells within 5 years from completion of work or that sells after 5 years from completion of work and opts to **charge VAT** on the sale:

- VAT (applicable on the purchase price agreed and stated in the act by the parties):
  — 4% for **primary home**
  — 10% for **second home**
  — 22% for a **luxury home**
- Stamp duty: €200 (fixed rate)
- Land registry tax: €200 (fixed rate)
- Cadastral tax: €200 (fixed rate)
- Duties: €230 (fixed rate)
- Land registry fee: €35 (fixed rate)
- Cadastral fee: €55 (fixed rate)



3 NOTARY FEE

A fee is paid to the Notary for the preparation of the *Rogito* and generally **only the buyer pays for it.**

But note that notary fees can also be requested for the preparation of the preliminary agreement of sale if the parties involved decide to also produce it with the notary in order to register a certified copy of the deed with the Land Registry.

This fee can slightly vary from town to town, and is on a scale related to the declared value of the property, to the difficulties of the deed and of the property.

4 OTHER FEE/COSTS

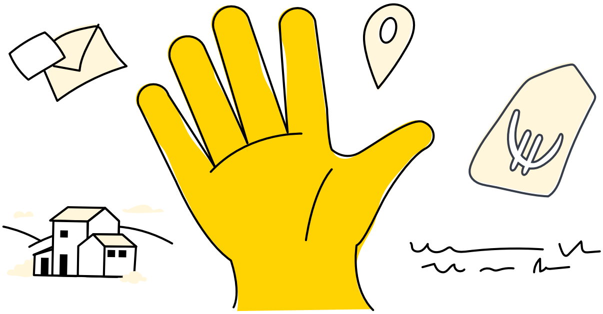
Usually you will need an interpreter or a **translation** fee for the documents/deed.
Other costs are due for the help of a **lawyer** for legal issues, if needed; a **surveyor** or an **architect** for the property inspection and a **moving company**. Also consider **mortgage** fees in case you need to establish a loan.

>> Please note that the information included in the 'How to buy a home in Italy' chapter is valid as a general rule and is not a legal document, so it may not cover every eventuality.
Figures are also liable to change. So we strongly recommend you to consult with experts including a solicitor if you need it to make sure your purchase goes smoothly.

ITALY REAL ESTATE LISTINGS: 5 THINGS TO CONSIDER

When considering purchasing property in Italy, you should be aware of several key differences in how real estate is marketed in Italy. Understanding these nuances can help in making informed decisions.

1 REAL ESTATE OFFER



Some websites do not verify the quality of real estate listings. So it's advisable to utilize trusted platforms like Gate-away.com and ask for the help of an OID real estate agent, especially since many local agents may not speak English. They can help assess listings and gather necessary information on your behalf.

2 PROPERTY PRESENTATION

It's not so frequent to find homes in Italy that are professionally staged or photographed. A poorly presented listing does not necessarily indicate a lack of quality of the property itself. It's essential to keep an open mind.

3 VIRTUAL TOURS

Even if video tours are absent from a listing, consider requesting one or scheduling a remote-assisted virtual tour. This allows you to explore properties from the comfort of your home.

4 TAXES

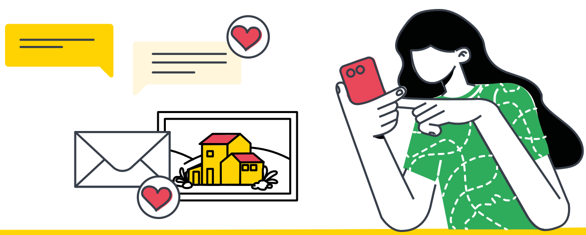
Inquire about all taxes beyond the purchase price and municipal taxes related to home ownership, as these can differ significantly by location.

5 LOCATION

The specific location of properties may not be disclosed publicly to protect the privacy of current residents. It's important to ask for this information privately so you can research the area before planning a visit.

A bonus tip!

The **average Italian real estate agency** consists of 1 or 2 agents without employees. So it may happen that you do not receive immediate feedback when you send an email for more information about a property in which you're interested in. Some time it will be necessary to insist and also try calling directly or Whatsapp, which is widely used in Italy.



THE POWER OF ATTORNEY !

The Power of Attorney (PoA) is a **legally-binding document** through which you can **give another person the right to act on your behalf** for the stipulated task(s) or responsibility(s) that are outlined within the PoA.

So it should be granted to a person who you trust or an Italian attorney to represent you for the formalities required by the Italian law during the purchase of a property in Italy while your at home overseas.

General Power of Attorney

It gives broad powers to the person you chose to act on your behalf, enabling him or her to handle every aspect of the purchasing process and not only this single affair.

Special Power of Attorney

It allows you to limit the PoA to a specific need(s). This is the case in which you only need someone to sign a specific document such as the Final Deed, open a bank account for example or to take out a mortgage for example and cannot be present.

WHY GATE-AWAY.COM

With its **extensive selection of properties** for sale throughout Italy and a **user-friendly** interface, Gate-away.com is your best ally in the search of your perfect retreat overseas.

What else you'll find with us:

TRANSLATION OF LISTINGS AND MESSAGES

Gate-away.com uses an advanced automatic translation system that converts real estate listings and messages into multiple languages, including English. This enhances the browsing experience for American users, making it easier to navigate the site and communicate with advertisers.

IDENTIFICATION OF LOCAL ATTRACTIONS

For each listing Gate-away.com automatically highlights points of interest near the property based on its location. This provides you with valuable insights about the area.

Start now your search with Gate-away.com

COMPREHENSIVE RESOURCES

The platform regularly publishes guides, articles, and insights aimed at assisting buyers in exploring various areas of Italy and understanding the property buying process.

PERSONAL AREA

You can sign up for free to the **'MyGate-away'** area on the portal to get access to many services like keeping track of all the messages exchanged with advertisers; save your favorite properties and add personal notes; receive periodic email alerts whenever new properties that match your search criteria are published and much more.

The Gate-away.com team

WHY OID

Buying a house in Italy may seem like a complicated and uphill process. Having an expert and qualified guide is essential to successfully purchase a property.

Working with an OID REALTOR® means **having an agent who knows the needs of the foreign client**, knows the English language and can guarantee a high professional and ethical standard.

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Thanks to our network of real estate professionals, we can provide specific legal and technical assistance for every need.

Connecting with our associates means working with REALTORS® who have at least 10 years of experience in the Italian real estate market, with additional training in order to serve and protect American buyers.

WHAT YOU WILL FIND WITH US:

- Real estate expertise (due diligence and correct appraisals)
- Legal assistance
- Technical assistance
- Relocation assistance

Choose an OID REALTOR® and acquire your Italian dream home will come true.

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