



SMALL GUIDE

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# LIVING LOVING BUYING IN ITALY

# WHAT'S INSIDE

1. Italy
2. Starting your search
3. Surveys
4. Legal
5. Mortgages
6. The Buying Process
7. Retiring to Italy





# Italy

is not the only country that specialises in living stylishly and well the Germans and the French know how to enjoy themselves too – but in Italy we do it all with a verve and zest that makes Italians among the most popular people in the world.

The world loves our art, opera, Ferraris, pizzas, clothes, cities, ancient ruins, rolling hills and shimmering waters. We have taken to every corner of Italy: in the north-west, the Alps and Lakes.

In the north-west is Venice, on the other side in the middle you'll find Tuscany. And in the middle are Rome, "the eternal city" and the Bay of Naples, then south to the heat and beauty of Sicily in one corner and Puglia in the heel, where Madonna (the singer) chooses to have her summer holidays.

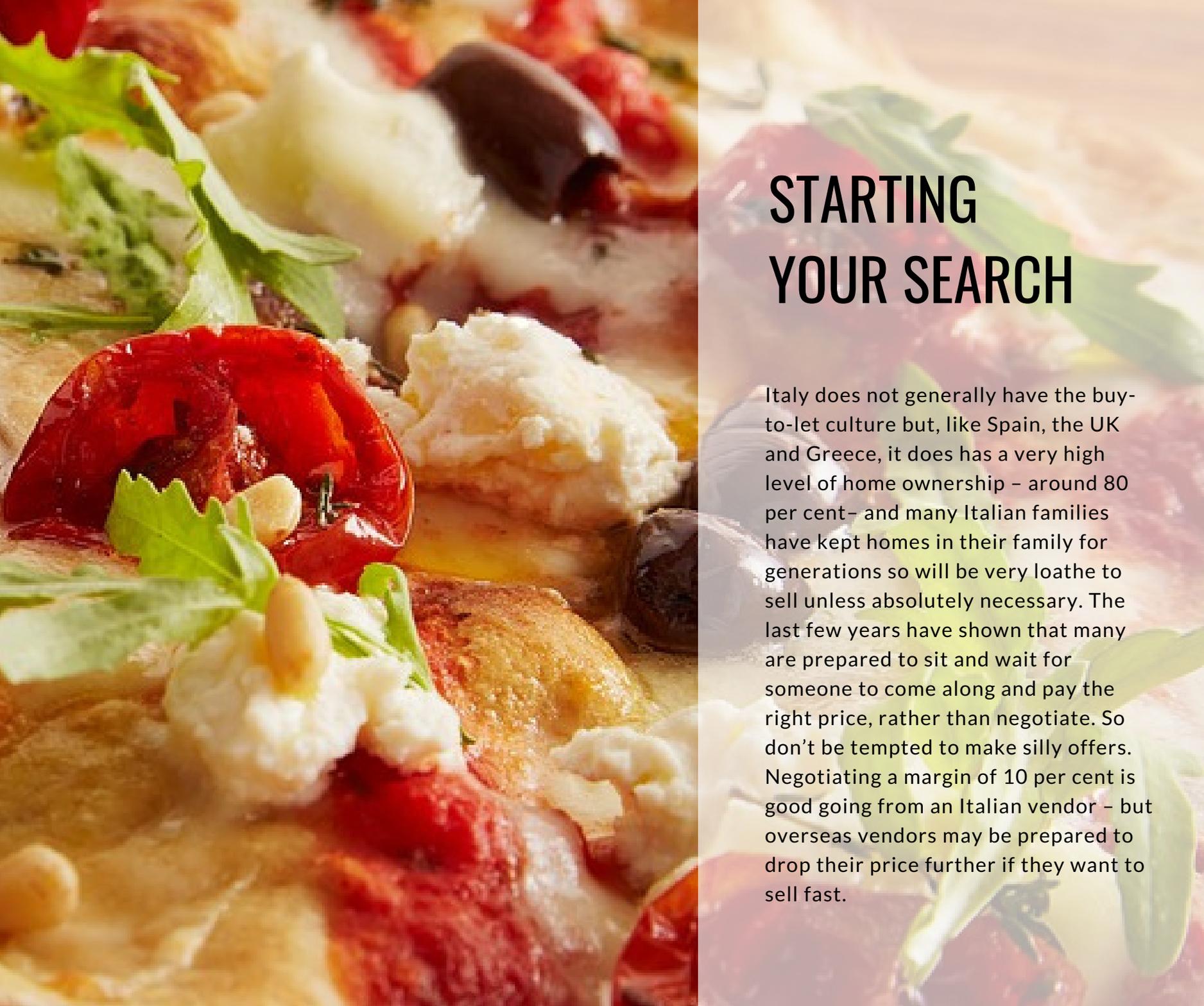
One survey found 26,000 British people living permanently in Italy, which is far fewer than in Spain, France or Portugal, although it has winter warmth in many areas, a superb coastline and lower living costs. You are less likely to find a gated community in Italy, but it is more popular for holiday homes within the towns and villages, particularly in old renovated properties. Italy's reputation as a weekend-break destination means that budget flights continue all year direct to most Italian airports.

Those weekend-breakers are often looking for culture, lifestyle, romantic views and café culture – all of which Italy has in abundance.

The north of Italy is wealthier and its property prices are generally a little higher, especially if you are looking for properties in the Milan area. The south is more rural and traditional, with cheaper property (including the famous trullios of Puglia).

There is less of an infrastructure of English-speaking agents, lawyers and professionals in Italy, but in all the most popular areas for foreign house buyers you will find them and Med-Imm could be the right choice!

We hope you enjoy this guide to buying a property in Italy and find it useful in your search.



# STARTING YOUR SEARCH

Italy does not generally have the buy-to-let culture but, like Spain, the UK and Greece, it does have a very high level of home ownership – around 80 per cent – and many Italian families have kept homes in their family for generations so will be very loathe to sell unless absolutely necessary. The last few years have shown that many are prepared to sit and wait for someone to come along and pay the right price, rather than negotiate. So don't be tempted to make silly offers. Negotiating a margin of 10 per cent is good going from an Italian vendor – but overseas vendors may be prepared to drop their price further if they want to sell fast.



# SURVEYS

It is not obligatory, or even that common, in Italy to get a survey of the property.

However, we are able to show you the property with virtual video or video-call.

We are also able to put you in touch with an architect/geometra, who will be happy to assess a property for you.

If you are planning on doing any building or renovation, the architect/geometra may also be able to use his connections to get planning issues resolved easily.



# LEGAL

Buying a property anywhere is a major financial investment for most people and a process for most people and a high can entail some element of risk.

If you've ever bought property in your country, you more than likely would've instructed a solicitor to manage the legalities on your behalf.

The purchase process in Italy is complex in terms of due diligence, searches and conveyancing but our real estate agents can assist you step by step.

Plus, everything is written and communicated in Italian so, you should engage the services of a bilingual interpreter/translator that must be physically present at the conclusion of the contract. The translator must be regularly enrolled in the register of the technical Consultants of the Tribunal.

Briefly, the property purchasing process in Italy can be broken down into three stages:

1. Proposta irrevocabile d'acquisto (Irrevocable Purchase Proposal): the property is removed from the market for a short time while due diligence is conducted.
2. Contratto preliminare di vendita (Preliminary Contract): this formalises the agreement between the buyer and vendor and details terms and conditions of the sale, including price and completion date.
3. The Atto di vendita (Deed of Sale): completion of the purchase. In accordance with Italian law, the deed must be drafted by a public notary (notaio), and must be fully compliant with the Preliminary Contract. Once the Deed of Sale has been signed by all parties, the balance of the purchase price is paid to the vendor, keys are handed over and the process of registering new ownership gets underway.

Many foreign buyers assume that the notary is acting as their lawyer and that if anything untoward is found, the notary will inform the buyers - but this isn't the case. The notary is an impartial public officer employed by the Italian State to oversee completion of the transaction. Legally, a notary cannot specifically protect the interests of one of the parties to the transaction.

# MORTGAGES

## *The mortgage market in Italy*

is generally quite conservative and banks have strict criteria for non-Italian individuals when it comes to offering finance to potential homebuyers.

Fortunately, there are options available. However, for those of you who don't have the cash available to purchase a property in Italy (or prefer not to use it) and are seeking finance options, be aware of the qualification criteria stipulated by banks which are outlined on the guide below.

Submitting a mortgage application correctly and choosing the most suitable bank are crucial steps to receiving beneficial economic conditions. It's also worth noting that Italian banks only accept documents which are translated into Italian. Our partners, highly specialized in banking mortgage applications for non-Italians can help you to optimize your chances to get a mortgage. But remember: Non-Italians can finance maximum the 60% of the property's value.

## *Who's eligible for an Italian mortgage?*

Mortgages for foreign buyers are also only available for residential property use, which include the following:  
Standard purchase  
Renovation project  
New building construction

## *Applicants must also:*

- Be a residential property buyer
  - Be an employee, self-employed or a retiree
  - Have an income in one of the following currencies (in addition to the Euro) -GBP, USD, CAD, AUD, SGD, HKD, DKK, NOK, SEK, CHF, JPY (other currencies can be evaluated case by case)
- The applicant is usually required to open a bank account with the lender bank too.

## *General banking criteria*

How long can the process take?  
The entire process can take from four weeks up to two months and the mortgage broker assistance is granted for the whole duration of the operation, from the first consultancy up to the first mortgage payment.



# THE BUYING PROCESS

# BUYING PROPOSAL

Once you have found the property you like, the purchase proposal, a document prepared in Italian and English, will take it off the market for two to four weeks. You normally pay a 5/10% deposit at this time, while a few checks are made on the property. At this stage you can normally withdraw without losing your deposit if there are any legal issues, next, you move on to the preliminary contract. Note that since 2014, antimoney laundering measures mean that buyers will be asked to produce certain information to prove you are not involved with this.



# PRELIMINARY CONTRACT

This is a legally binding contract prepared in both Italian and English, which includes a description of the property and sets out conditions such as rights of way, payments and timing of the buying process. On signing it, the buyer usually pays a further deposit of 20% to the vendor well as the agency fees. The preliminary contract virtually guarantees the purchase will proceed, as the buyer will lose their deposit if they pull out but the seller will have to pay double the deposit if they pull out.

When a rural property is sold, however, neighbouring farmers have the right of first refusal. Under such circumstances it is necessary to notify the preliminary contract to neighbouring farmers who have one month to exercise their right (if you choose our agency, we do this for you).

From preliminary to final contractstakes one and three months, during which time a Notary is appointed. Notaries are members of an independent legal body who work for both the buyer and seller, conducting searches and preparing deeds.



# THE FINAL CONTRACT

This is signed at the Notary's office, either in person or by giving someone power of attorney on your behalf. The contract will be read out, so non-Italian speakers will need a qualified translator. Purchase taxes and the notary fee are to be paid at this time, by the buyer, along with the balance of the purchase price. You will then be given the keys to your Italian property. The Notary will send the purchase deed to the land registry and the buyer receives it approximately two months later.



## TAX CODE (CODICE FISCAL)

You need an Italian tax code before you can buy property in Italy, but getting one is a simple process, we will be glad to help you.

# BUYING COSTS

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## HEADLINES, SUBHEADS, BODY TEXT

The main costs when purchasing a property in Italy are notary fees, taxes and estate agents commission – and collectively they do not make it the cheapest place in Europe. Allow 10 to 20% of the purchase price for fees, taxes and costs. This includes notary fees of between one and 1.5%, depending on the area, the value of the property and the rates charged by the individual notary. Non-Italian speakers will also have to pay for a certified translator when it comes to the final contract. Buyers using an Italian loan or mortgage must pay for the “atto di mutuo” (mortgage contract) to be registered by a notary. Both buyer and seller pay estate agent commission, usually 3 to 4 % of the real value plus VAT (IVA). Land registry taxes, the “cadastral” tax, plus 20 per cent IVA on the legal fees are also factored into the overall figure.

Purchase taxes depend on whether you are buying a first or second home



# RETIRING TO ITALY

Unlike Spain, France, Portugal and even Cyprus, Italy does not attract high volumes of retirees. Retirement is generally about seeking an easier way of life, security, a good climate and somewhere that offer access to good healthcare. Italy, one can argue, ticks all of these boxes, although the north of the country lacks the winter sun, and the south the high-quality level of infrastructure that the north is known for. It even offers plenty of golf courses if this is how you wish to spend your retirement, but most people head to Italy for the art, architecture, landscapes and all wonderful food and wine. Unlike Spain, France, Portugal and even Cyprus, Italy does not attract high volumes of retirees. Retirement is generally about seeking an easier way of life, security, a good climate and somewhere that offer access to good healthcare. Italy, one can argue, ticks all of these boxes, although the north of the country lacks the winter sun, and the south the high-quality level of infrastructure that the north is known for. It even offers plenty of golf courses if this is how you wish to spend your retirement, but most people head to Italy for the art, architecture, landscapes and all wonderful food and wine. But if, after a lifetime of holidaying or owning a home in Italy, and a certain level of language fluency, you want to make the move permanent why not do it? That Mediterranean diet and *bella vita* cannot be bad. The simple things in life appeal to Italians - food, wine, friends and family. Italians have great respect for the older generation, who tend to be involved in family dinners or trips to the beach at the weekend, and frequently share homes with their children and grandchildren, and offer financial support each other.



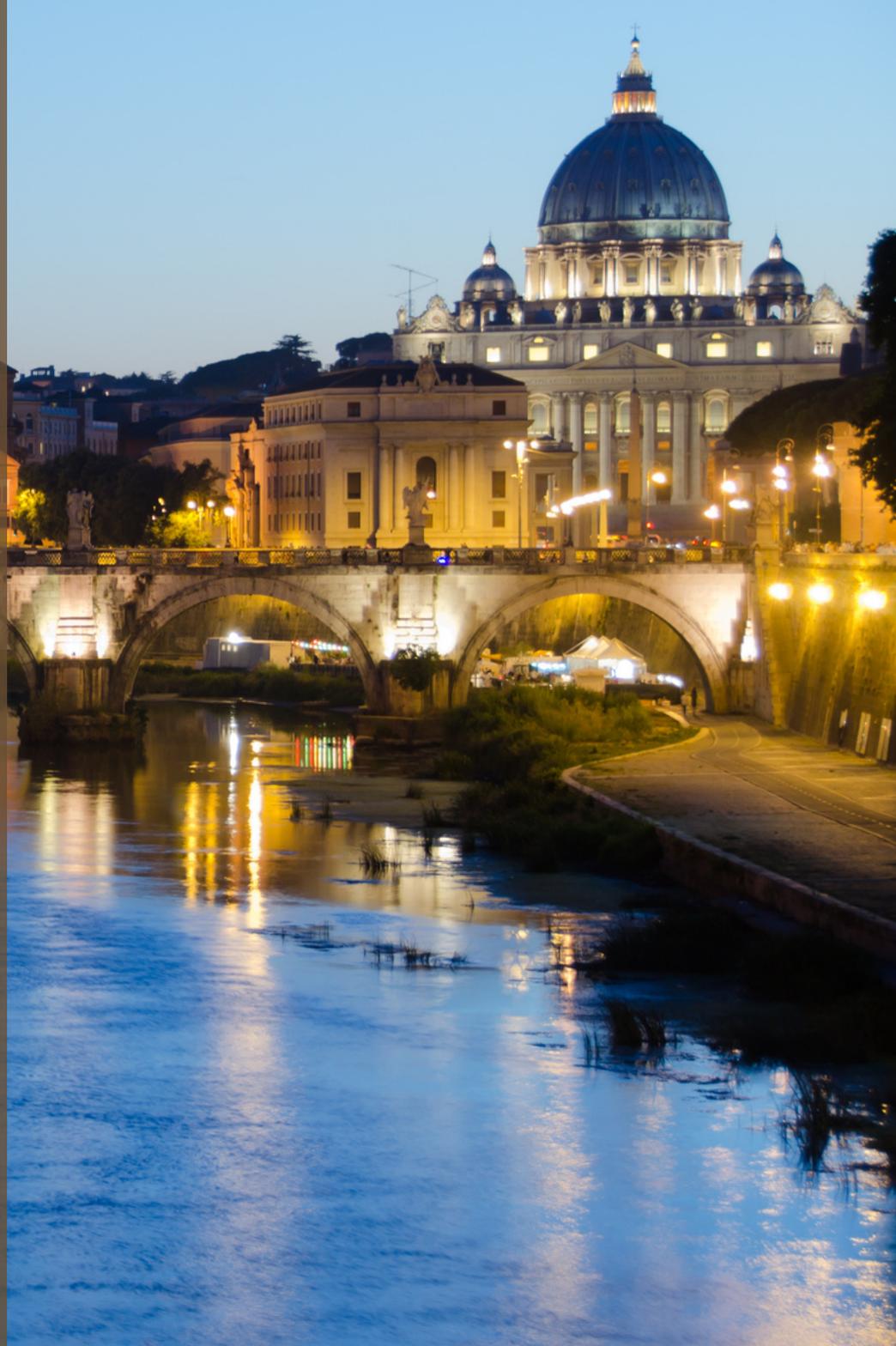
These can often work directly with the bank and fees can be quite reasonable. A commercialista can help you make deductions from your income (for tax assessment) if you buy things like energy-efficient white goods or cars, solar panels and earthquake protection (if applicable in your region).

You need a tax code (codice fiscale) to open a bank account - available from Agenzia delle Entrate.

Residency is relatively easy to apply for - at time of writing. If you're staying more than three months, you must apply to your nearest town hall (Comune – Ufficio Anagrafe) for residency (iscrizione anagrafica).

You will need to provide documentation proving (in the case of retirees) that you have sufficient economic resources. You must check with your town hall what further documentation you may need to apply for residency.

Non-EU citizens must apply for a “permit to stay” or Permesso di Soggiorno whilst EU citizens need a Certificato di Residenza. Find out more about both from the Italian State Police website, [www.poliziadistato.it](http://www.poliziadistato.it). Once you have been officially resident for four years, you can apply for Italian citizenship. You may be eligible to claim some Italian social security benefits. Note that when you leave Italy, you'll need to contact your local town hall (Comune) to cancel your Italian residency card - as well as moving your pension and informing the Agenzia delle Entrate (on tax).





**MED-IMM**  
HOMES & PROPERTIES

*We  
refund*  
**YOUR STAY**  
IF YOU BUY WITH US

THE 2DAY INSPECTION PACKAGE  
INCLUDES THE ACCOMMODATION FOR  
2 NIGHTS FOR 2 PEOPLE IN B&B  
FORMULA, WINE TASTING AND  
ORIENTATION TOUR. OTHER INFO ON  
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