

practical guide to buying, procedure, costs and legal aspects	
<p>The purchase of a property in Italy is considerably different from the UK and some elements may seem difficult to understand.</p> <p>Estate agents in Italy must have an appropriate qualification to operate their business and they offer a wider range of services to their clients than their UK counterpart, however, these come at a price that varies between 3 and 5% of the price paid for the property. Both the buyer and the seller pay the estate agent the same amount each.</p> <p>As a rule of thumb the additional costs involved in the purchase of any property in Italy usually amount to roughly 10 to 15% of the final price paid. These costs include tax, notary, surveyor and other legal expenses. Add a translator if you need one.</p> <p>The Notary's fees usually correspond to 2 to 3% of the <u>declared</u> purchase price of the property. It is important to view and obtain copies of all the documentation, including the cadastral (local land registry) certificates and maps indicating borders and classification of the various portions of the property.</p> <p>These are important elements as different classifications at the land registry mean considerably different costs and taxes. Normally you would have to ask your notary to gain access to these and obtain a copy for a fee.</p>	
the purchase process step by step	
<p><b>Making an Offer (Proposta d'acquisto)</b></p>	<p>You need to fill a document that states the amount you are offering, an agreed date as to when the deposit will be paid and the latest date for the definition and signing of the final contract. Usually the owner will reply within two weeks, in this case it could be quicker.</p> <p>The form will have to be signed and a deposit paid to the legal representative of the seller, who will hold the deposit until the seller has accepted the offer, if not the deposit is returned.</p> <p>A private agreement between buyer and seller can vary the conditions and deadlines of this phase and is usually signed by both parties in front of their legal representative. In general every step and all documents in any transaction, however simple, require the witnessing of a notary, with corresponding fee paid; remember that there is even a small fee for each page of each document and these must be compiled on official stamped paper supplied by the government.</p> <p>Both buyer and seller pay a duty proportional to the value of the sale.</p> <p>Properties in the countryside are generally classified as rural estates. The tax and the <u>official</u> value that apply to rural properties is much lower than the one applied to residential dwellings and the market price; the official value of a country estate is still based on archaic concepts that relate the value of the property to the agricultural productivity of its land, whereas the actual buildings on the land have no or very little value. The tax paid on the purchase of a country estate is calculated at two different rates, one for the land and one for the buildings, we'll go into details further down this document.</p> <p>After the contract has been exchanged, the price agreed and the tax paid, the seller proceeds to file a request for "reclassification" of the buildings from agricultural to residential. This will enable the buyer to reside in the place and/or use it for a non-agricultural activity.</p> <p>Once the seller has accepted the offer the deposit is transferred from the legal representative to the seller and counts as a first instalment of the total payment agreed.</p>
<p><b>How much to declare at completion?</b></p>	<p>Property values are registered with the Comune (local council) on a Catasto (land and buildings registry). As we said there is a noticeable discrepancy between registered and the market value.</p> <p>You have to pay stamp duty on the price indicated in the deeds. The Italian law states that as long as you declare a little more (say 10%) than the cadastral value you will be within the limit of legal acceptability.</p> <p>For details regarding current registered value and other financial and procedural details please enquire directly.</p>
<p><b>Obtaining a Fiscal Code (Codice Fiscale)</b></p>	<p>In order to buy a property in Italy you must obtain a fiscal code. This is similar to your National Insurance Number. Any EU citizen can obtain one from the local tax office.</p> <p>No legal contract can be completed without a Codice Fiscale.</p> <p>You can apply for a Fiscal Code through the Italian Consulate, in my experience though the Italian Consulate in London is something of a shamble and local services in Tuscany are better and faster.</p>
<p><b>Opening an Italian Current Account (Conto Corrente Bancario)</b></p>	<p>Having a bank account in Italy will make your life easier from the beginning and you will need it eventually to complete the purchase. As a EU citizen you can open one, providing you have the codice fiscale. Some UK banks and building societies have opened branches in Italy, it is worth</p>

	<p>checking if yours is one of these.</p> <p>Otherwise you will have to give an address in Italy, which temporarily can be that of your legal representative until the day you move in.</p>
<p><b>The preliminary contract (Compromesso)</b></p>	<p>The next step is the signing of the compromesso, the preliminary purchase contract, this is usually written by the notary, and the deposit of around 20 to 30% of the purchase price is paid at this stage.</p> <p>After the compromesso the notary will go to the Registries to check if there are mortgages or other claims and ties on the property (in this case there are none).</p> <p>Often this is a phase that can become complicated by the unpleasant surprise that the property in fact belongs to several members of the family, some of whom may be living on the other side of the planet and whose signature is essential for the conclusion of the contract. Beware of this risk! In this case Vincenzini is "clear" as all the portions of the estate, which did indeed originally belong to many members of several families, were incorporated nearly 20 years ago into one estate belonging to the current owner.</p>
<p><b>Pulling out</b></p>	<p>If for any reason you pull out at this stage you will lose your deposit.</p> <p>At the same time if the seller pulls out he has to pay the deposit back plus a compensation fee. (In the case of a deposit called caparra confirmatoria the owner is legally bound to sell). This anyway is not a concern in this case as the owner has genuine and unchanging reasons to sell and he is the sole proprietor.</p>
<p><b>The Final Contract (Atto di vendita or Rogito Notarile)</b></p>	<p>This is the moment when the contract is completed, the final amount is paid and you become the legal owner of the freehold.</p> <p>The final signing of the contract has, again, to be completed in front of the notary and with witnesses.</p> <p>If you need the documents translated you will need to pay an additional fee as these must be translated and verified by an appointed official translator with legal qualifications and it can cost around £ 500, according to length and complexity (Italian documents tend to be horrendously verbose!)</p> <p>It is advisable to clarify all doubts, queries and details in advance as the time at the notary is very expensive and you don't want to spend a day sitting in an office, paying by the minute and possibly needing a translator with you to disentangle the intricacies of the procedure. It can all be clarified in advance, so that when you finally go to the notary it's just to sign the documents and have the notary confirm that it's all legal and cleared..</p> <p>Needless to say, if you speak Italian you will feel so much more comfortable and in control, and may even find it all surreally funny.</p>
<p><b>Official resident certificate (Residenza)</b></p>	<p>It is important that as soon as you move in you declare the property as your permanent residence, as this reduces considerably all tax and costs (holiday homes pay higher rates) as well as giving you all the rights of access to local services, doctor's surgery etc.</p> <p>You will have to go to the local municipal office (Anagrafe, at the local council) to apply for a residence certificate, as a EU citizen you are entitled to it and it is merely a formality so that you can be included in the registry of local residents and effectively become a member of the community.</p> <p>After a few days the local Guardia Municipale (a cross between local police and local government officer) will come to visit you at home and ask a few questions, mainly to verify that you really intend to live at the property. It may take up to three months before they give you the actual documents (nothing official is fast and everything has to be done in person and at different offices).</p> <p>In some cases you may even receive a visit from the local Police or Carabinieri (there are two police bodies in Italy, and sometimes they compete with each other!). Don't be alarmed, they like to go around with machine guns wearing dark sunglasses and pretending they are LA cops in an American movie, they are just doing their job and showing you that you are well protected and they know you are there, and they like to poke their noses around to see what kind of person you are.</p> <p>To obtain most documents in Italy you need several passport-size photographs, your passport, and an official duty stamp ("marca da bollo", you buy them from tobacconists and post offices).</p> <p>If you are going to live in Italy get used to having to put your picture and a "marca da bollo" on any and every scrap of paper, and you will need lots of these, also get used to carrying ID all the time, it's compulsory and you can be taken to the police station if you can't produce ID and kept there for 48 hours or until someone comes to witness for you and present your documents.</p>
<p><b>Stamp duty (imposte di registro)</b></p>	<p>The standard stamp duty on the purchase of a house is 10% and 18% on farmland on the value declared in the deeds and contract.</p> <p>However, if you are going to reside there permanently, the tax is only 3% for the house and 18% for the land.</p> <p>In taht case the residenza (residency) has to be obtained within 18 months of purchase,</p>

otherwise you will have to pay the additional 7% plus interest and a fine. Also, you can't sell your property during the first 5 years, unless you buy another house for permanent residence, or pay the tax difference.

If you are planning to run any kind of activity that is related to the land, consider that there are various funds available through local administration to help agricultural businesses, especially if these are based on ecologically friendly principles, priority is given to environmentally friendly technologies and materials both in the use of land and in the restoration of buildings.

**Right of pre-emption (diritto di prelazione)**

This is a crucial item that can cause endless problems and you should be wary of it and always check carefully. When farmland is offered for sale, the neighbouring farmers have the first right to buy it. So any neighbour who is officially farming agricultural land adjacent to a property that is for sale which also has farmland, has first right to buy the property at the value registered in the deeds.

After the preliminary contract has been signed the owner (or the notary) will have to officially inform (by registered post) all those who could have this right.

These have 30 days to respond. If the person has not been informed, or if the price he/she was informed of is higher than registered in the deeds, he/she has the right to buy the land (at the price declared in the deeds), this applies up to one year after the sale.

In this case all the portions included for sale with Vincenzini are clear and unhindered.

In fact, if you look at the plan of the property with the individual original numbered parcels you will notice parcel number 7 is not included while it belongs to the seller who is not using it and for its position should ideally be part of the property.

The reason the seller hasn't included that parcel is that it is the only one that borders another property that is (on paper at least) farmland and whose owner could claim the "diritto di prelazione" - We have verified that the owner of the neighbouring land isn't interested to the purchase, however, out of precaution and to avoid any possible unexpected problem the seller has decided not to include parcel 7.

As an option, it would be possible to "rent" that portion of land at a nominal fee from the seller over a period of say 100 years, which would bypass any potential problem and would give you use of the land with the exception of building on it.