

Buying apartment in Italy: Most Italian properties are freehold and a deposit of around 10% is usually accepted and is paid to a notary. If the vendor decides not to sell after signing the preliminary contract, they must pay double the deposit back. It is wise to check the wording of the deposit, a 'penitenziale' means you will only lose your deposit if you withdraw from the sale, while a 'confiimatoria' would mean the seller could take legal action to force the purchase. When buying real estate in Italy, you will first sign a preliminary contract, this can be drawn up by the vendor, agent or a solicitor/lawyer. The preliminary contract may be preceded by a binding 'buying proposal' called a compromesso, where the buyer is legally bound to buy, but the vendor and agent are free to consider other offers. The preliminary contract contains the details of the sale like the purchase price and financing, plus the completion date which is normally six to eight weeks. The sale will be completed before a public notary when the final deed or conveyance of transfer is signed. The notary issues a certified copy of the deed of sale and registers the original document with the land registry, which makes you the legal owner of the property. There are two kinds of deeds in Italy; a private deed and a public instrument, this provides more protection and costs slightly more. When a property is bought by private deed and is subsequently found to have a charge against it, such as a mortgage, the notary isn't responsible. When buying by public instrument you can seek legal action against the notary for professional misconduct.

Solicitor / Lawyer: You will need to hire the services of a solicitor/lawyer to draw up your initial contracts and instruct the notary. Total fees for buying a property in Italy are usually between 10-20% of the purchase price. Registration tax/stamp duty should be 10% of the declared price for urban property, up to 17% for agricultural property, with a reduced rate of around 4% for first time buyers. If you're planning on becoming a resident, you should do so before purchasing your home in Italy. The declared property sale figure should also agree with the official value in the Land Registry, which is usually over half of the purchase price. Notary fees vary depending on the price of a property and are higher as a percentage on cheaper properties. They are generally about 4% of the declared price. Legal fees are usually around 2% of the purchase price. A surveyor's fee will vary according to the price of the property and will be upwards of £500.000. The real estate agent's fee and who pays it varies considerably, although it is usually shared between the vendor and buyer, a buyer contributing about 3% of the purchase price, the vendor about the same. VAT (Value Added Tax) is payable on new homes from 9-19% depending on the registries rating and is included in the price. It is important to engage a local lawyer, before signing anything or paying a deposit. A local surveyor may also be necessary, particularly if you're buying an old property or a property with a large plot of land. Your lawyer or surveyor will carry out the necessary searches regarding such matters as ownership, debts and rights of way. Enquiries must be made to ensure that the vendor has a registered title and that there are no debts against the property like mortgages or taxes and check the property has the relevant building licences, conforms to local planning conditions and changes have been authorised. Check for selling consent of all family registered owners and water supplies for countryside properties.

Property Tax : The standard rate of VAT is 19%, with reduced rates to a minimum 4%. VAT is payable on new properties at 9% for non-luxury property and 19% for luxury property. The local community tax or rates, ICI, ('Ichy¹') is paid by anyone who owns property or land in Italy, whether they are a resident or non-resident. It's levied at between 0.4% -0.7% of a property's value, the actual rate being decided by the local authority depending on the size of the property, location, class and category. If a property is unfit for habitation it could qualify for a 50% reduction. ICI is paid in two instalments in June and December

Mortgages: They are available from Italian banks but can be lengthy to approve, and usually you can obtain better terms from foreign financial institutes with borrowed amounts against purchase price of 80-100%. Remember to declare any funds brought in to your Italian bank. Maximum loans from Italian banks on property are usually 50-60% of buying price for second homes and nearer 75% for your main residence, usually up to 15 years.

For more information on buying property in Italy, please contact t or visit the Italian Government website:

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