



## **GUIDE TO REAL ESTATE INVESTMENT IN ITALY**

by

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### **Attorney, Surveyor, Realtor in real estate contract in Italy**

#### **Types of Contracts**

Italian law requires that all contracts concerning purchase of lands or buildings must be in writing, signed by both parties.

All binding legal documents relating to an Italian real estate transaction must be written in Italian, independently from the nationality of the parties.

Reservation Contract: by payment of a small deposit it is possible to get the right to buy the property for a fixed period of time that should be no less than three weeks, but, if you shall fail to purchase the property within the mentioned time you lose your deposit.

Full Preliminary Contract: by this contract it is necessary to pay between 10% and 30% of the property price, this shall commit the purchaser fully to purchase the property; also in this case it shall be difficult to have the deposit returned.

Formal Offer to Buy: it is similar in legal terms to a contract.

#### **Appointment of an Italian lawyer skilled in real estate property**

It is advisable to not sign any purchase contract before having the contracts reviewed, it shall be better for a buyer to select an Italian lawyer and send him



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any documents relating to the immovable property he is going to purchase for review.

After the contract has been reviewed by the lawyer he will instruct the buyer to pay a preliminary deposit, usually about €3.000.

Usually after two or three weeks from the signature of preliminary contract (*Contratto Preliminare di acquisto*) there shall be the signature of the main contract (*Contratto Definitivo* or *Rogito*), after checks on the property have been carried out.

In case of co-ownership, the owner with a share of a willed property can insist on receiving its share, so that, also in this case it is preferable to charge a lawyer to draw up the real estate contract.

### **Power of Attorney**

The buyer may attend in person before the Notary (*Notaio*), but, he can make arrangements for a Power of Attorney (*Procura*) to be granted enabling an Italian lawyer to attend on his behalf.

The power of attorney must be in the Italian form.

### **Technical survey of Geometra**

In order to take the decision to complete the purchase of the property the buyer shall have to gather a lot of information by a Geometra's site visit which is necessary to draft a technical survey (*Perizia*) in order to:

- check the seller's title deeds;
- check what extras and immovable (if any) are included in the sale;
- check the property boundaries;
- take legal advice on tax and inheritance issues;
- check the power of attorney of the vendor authorizing his agent to sign, in case the vendor isn't signing the deed of sale in person;

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- check if the property is correctly and legally described in the paperwork and if it accords with the Land Registry details;
- check if the price of property is correctly listed;
- insert in the contract any clauses stipulating that buyer is not liable for outstanding claims, charges and debts on the property;
- establish who will pay the estate agent's fee;
- check if it is possible to make the changes or perform the planned building work;
- check if the property is legally able to be used for the planned purpose (domestic, commercial);
- check if the property has all necessary facilities for water, gas, electric and sewage;
- check if there are no outstanding bills or charges, debts or claims over the property;
- state what happens if one or other of the parties pulls out.

### **Surveyor's fee**

The buyer will pay the Surveyor's fee (Geometra's fee) whose services are necessary for the transfer of the property.

These can vary between €500 and €2.000 depending upon what work is involved in the transaction.

In order to buy property in Italy the buyer needs to be registered with the Italian tax authorities and to have a tax identification number.

### **Realtor's fee**

The buyer may have to pay all or part of the Estate Agents fees; these are usually 3% - 5% of the actual value of the property.

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