



GUIDE TO REAL ESTATE INVESTMENT IN ITALY

by

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Responsibility for defects and/or variations in construction works

In case of construction works, the contractor is responsible for defects and unauthorized variation of works.

Under Italian law, if there are visible defects, the client should not accept the works otherwise he will lose the right to his guarantee.

In order to formally contest the works the buyer shall have to notify the contractor through a formal letter of default.

If the buyer accepts the works, and defects and/or unauthorized variations of works are visible, he will lose the right to a guarantee, unless the contractor omitted deliberately to inform client about the defects and variations, although contractor was aware of the defects and/or variations.

Anyway, the acceptance of work by buyer does not compromise the clients guarantee in reference to hidden defects, because these defects can be contested when they are discovered.

The buyer who wants to resort to the guarantee shall have:

- report the hidden defects within 60 days of their discovery
- take legal action within 2 years from the end of works.

If one of these abovementioned obligations is not complied with, the buyer will lose his rights to the guarantee.

If the contractor hid those defects, the time limit for legal action is extended to 5 years.

In the case of visible or hidden defects, the buyer is entitled to take 4 possible legal steps:

- he can request the elimination of the defects and/or variations and the total cost shall be borne by the contractor
- he can ask for a reduction of the price
- if the variations or the defaults are very serious he can request the dissolution of the contract
- he can request to be compensated for damage.

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Italian civil code provides particular regulations for new builds, in fact, in such cases the contractor will be responsible for collapse (total or partial), evident danger of collapse or serious defects in the construction: the contractor's responsibility will last for 10 years from the date of completion of the works.

The defective work must be contested by buyer with registered letter within one year of its discovery, in fact, buyer has one year to start a legal action in court against the contractor.

The buyer has the possibility to inspect works before they are signed off, such a right exists also during the execution of the work, so that, if the client accepts the works at the point of signing off without requesting an inspection or without contesting, the works are presumed to be accepted.

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