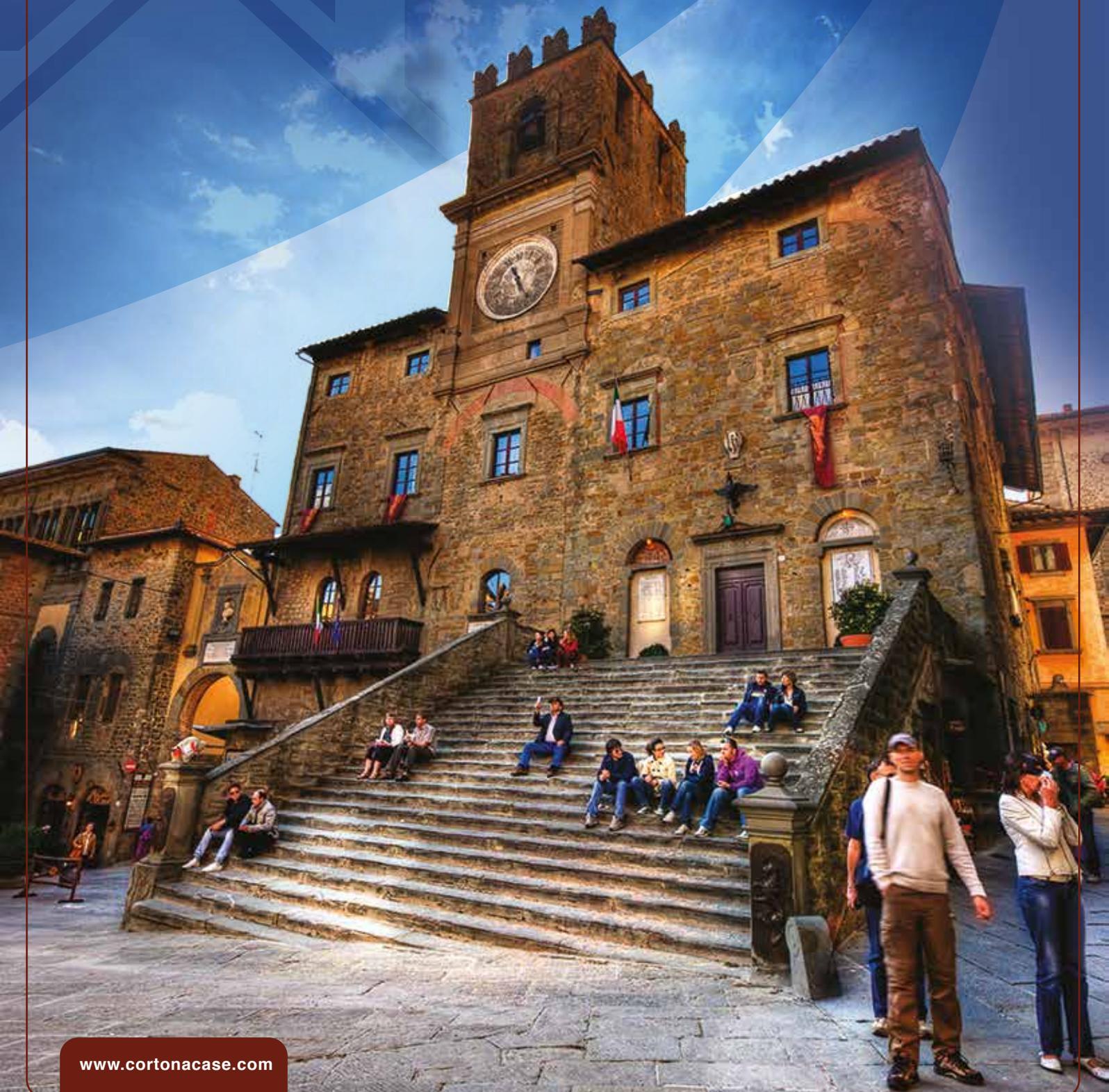




Cortona Case Immobiliare
Agenzia Immobiliare - Real Estate

GUIDE TO BUYING Property in **Italy**



A MESSAGE FROM US

Thank you for downloading our Guide to Buying Property in Italy.

We are excited to learn more about you, and how we can help you realize your dream to buy a home in beautiful Tuscany. We are experts in the Italian property market. Born and raised in Cortona, we have a unique perspective on how the market has grown, changed and where it is headed in the future.

This free guide is designed to help you along the way to owning your own piece of the Italian lifestyle that so many have come to love. **We hope to answer your questions and help make your property search and purchase a success!**

We are here to help!

Whether you've got questions about the process, have a property in mind, or just want to talk to someone in the know we are here for you!

Luca

Tel: +39 0575 604881

Cell: +39 3336 444113

www.cortonacase.com info@cortonacase.com

Buongiorno!

Thank you for your interest in our Guide to Buying Property in Italy and we are delighted to share our experience and knowledge with you. We believe that the lifestyle, location and the incredible food, wine, history and love for life that Italy has to offer makes buying a home here a wonderful idea!

There are more reasons to buy in Italy than not. With beautiful hills and lakes, safe, family based communities, a fantastic climate, ancient medieval architecture, art by the Masters at every turn, not to mention the laid-back Mediterranean lifestyle; it is hard not to choose Tuscany.

But let's put aside the obvious lifestyle draws, it is important not to forget that Italy is still very affordable compared to many of its counterparts. It is hard to believe that for the price of an apartment in many cities, you can wake to the golden Italian sun and rolling landscape in your own detached villa. Buying here becomes even more appealing.

Of course, buying in a foreign country has some risks and maneuvers that you may not be familiar with. But pitfalls can be easily avoided with proper guidance, planning and managing your expectations from viewing properties to completing transfer of ownership.

You may have heard expat horror stories about purchasing property overseas without proper guidance. Sometimes this is to save money, and other times it is simply lack of finding someone to trust who has your best interests at heart.

This is a no frills guide. We tell it like it is, and as in our lives, we believe in honesty, integrity and building long lasting relationships.

We hope the Guide to Buying Property in Italy answers your questions, and helps make your buying experience safe, fun and memorable! Remember to visit our website at **www.cortonacase.com** for more information on buying in Italy, and a list of our current properties. Meanwhile, sign up to receive our monthly e-zine for more great articles on living La Dolce Vita!

If you want to speak to us about buying or renting in Italy, don't hesitate to call us at **+39 0575 604881** or email **info@cortonacase.com**.

We hope to meet you soon!

Luca

You have a dream.

It starts with a slow awakening in a soft bed, rolling over to open brightly colored window shutters to let in the golden Tuscan Sun. You spend your days sipping the most delectable cappuccino in ancient Piazza's, wandering through winding medieval streets, and devouring the art, beauty and lifestyle that only Italy can offer.

For many people, just like you, buying in Italy is a very real possibility and actually a lot easier than you may think. It just takes a bit of patience, vision and desire to immerse yourself in the local culture.

We suspect this isn't a new dream either. If like most, it has been sitting quietly in your mind, only to be woken by a romantic movie, a travel brochure, or a friend's recount of a recent visit to Italy. Suddenly, the longing returns....

So what are you waiting for?

Why not make this "your" year to take the step and be serious about achieving your goals and dreams. Why wait another day, week, month or year to start to focus on what it would be like to have your own place in beautiful Tuscany.

Maybe your dream is a permanent move, or maybe just a holiday home that you will supplement with a little bit of rental income, the choice is yours and the opportunities endless. Let us show you how.

Who Can Buy Property in Italy?

Anyone can own property in Italy, whether you are a resident or not.

Nationals from European Union (EU) countries, including the UK, can buy property and live freely in Italy. The current EU rules of Freedom of Movement make it relatively easy with little restrictions.

If, however you are American, Canadian or your nationality falls outside the EU, you can still buy property in Italy, but there may be restrictions on the length of time you can spend at your home each year. You will also find it difficult to work as there are many restrictions for non-EU citizens.

We recommend that you visit your local Italian Embassy to find out the rules to work and stay in Italy if you are from outside the EU.

Deciding on What You Want

Italy may not be a large country, but it has very distinct regions, each having their own identity. Some areas are so different from the next, it's easy to forget you are in the same country!

Most people decide to buy in Italy after visiting and having a fantastic holiday. This is usually the location that draws them back to buy. However, you may find that a holiday experience is very different from living full time, and your favorite places may be outside of your budget. It is best to make a list of wants and needs and prioritize them from "must have"; "like to have"; "nice to have." This will help keep your priorities in order when beginning the search.

Think about the kind of property you want and where you want it to be. You should expect to make some changes along the way, but be sure to set out the must have's up front.

Ask Yourself...

1. What is your maximum budget including taxes and closing costs?
2. Is there a specific location?
3. Do you want countryside or city?
4. What size fits best? How many bedrooms/bathrooms?
5. Is outdoor space important? How much are you prepared to manage?
6. Is this a holiday home, rental property or a full time residency?
7. Do you prefer a quiet setting or more active?
8. Do you have any mobility restrictions that could conflict with living in a hilltop town?
9. Do you prefer detached or a condo/apartment?
10. What kind of property do you prefer? Modern, rustic, farmhouse or a restoration site?
11. Do you want to be where there are a lot of tourists (for rental property success) or do you want to be more local, living with mostly Italians?
12. Do you want a swimming pool, terrace, garden or a vineyard?
13. Is a view important?
14. How close do you want to be to local shops and bars?
15. Do you need to be close to medical services?
16. Do you need to be close to a good school?
17. Do you have your finances in order to purchase?
18. When do you realistically want to buy?
19. What is your budget including taxes and fees?

Planning Your Finances

Deciding to buy a property in Italy is a big decision and although Italian real estate is very stable and a great investment, you will need to consider your personal situation now, and in the future when planning your budget.

To work out exactly how much you can afford, you need to consider your current financial obligations as well as what cash you may have to put forward to the new purchase.

It is difficult for foreigners to qualify for a mortgage in Italy, as you will not be able to transfer your credit rating from your country to Italy. Banks will require documents to prove your finances, tax returns and bank guarantees. We are very knowledgeable in this area and can assist you in understanding the requirements should you need a mortgage.

Many foreigners choose to purchase their home with cash that is acquired by finding financing in their home country. This can be done through savings, a second mortgage or other lending options. Check with your home bank manager to see what options they may be able to offer you.

Deciding on Your Budget

When deciding on your final buying budget, you will need to consider other expenses that will be on top of the price. These will include taxes, notary fees, currency exchange fees, and real estate commissions.

Knowing how much you can afford from the outset will ensure you spend your time looking within your budget and not risk disappointment finding that your dream property is out of your budget.

Common things to consider after you have found your dream house are:

What is the ongoing cost of borrowing money (second mortgage, loan etc)

What are the yearly taxes and fees for the property?

How much will the property cost to maintain on a yearly basis. Heat in Italy can be very expensive. Do not forget to calculate your ongoing budget to include high utility fees. Always ask the agent what the past heating costs are.

If you have to exchange funds into Euros for both the purchase price and ongoing costs, be sure to add these costs into your budget.

What Are the Costs Involved in Buying an Italian Property?

The additional costs involved in purchasing a property in Italy will vary depending on a number of factors. Below is a general guideline, however rules change frequently in Italy so we recommend that you ask us for the most current rules when you begin your search.

Re-Sale Property

Registry Tax on the "Cadastral" value. This is the ratable value that the municipality puts on the property. It is usually about 30 - 50% lower than the actual purchase price.

New Build Property

There is no Registry Tax on the purchase of new-build properties, however you will be required to pay VAT instead. VAT is levied at 4% of the purchase price for a Primary Residence and 10% for a second / holiday home.

Agricultural Property

Depending on the type of property, tax can be higher or lower. It is best to ask your estate agent ahead of time to determine if there are any extra taxes or tax savings on a specific property.

Primary Residence (re-sell)

If you plan to live full time in Italy and are buying your home as your primary residence, then your Registry Tax is 2% of the Cadastral Value.

Holiday Home (re-sell)

If you are buying the property as a second home / holiday home, then the Registry Tax goes up to 9% of the Cadastral Value.

Notary Fees

You must use a Notary when closing the sale of property in Italy. Expect to pay around €2,000- €4,000 depending on the property price.

Independent Lawyer

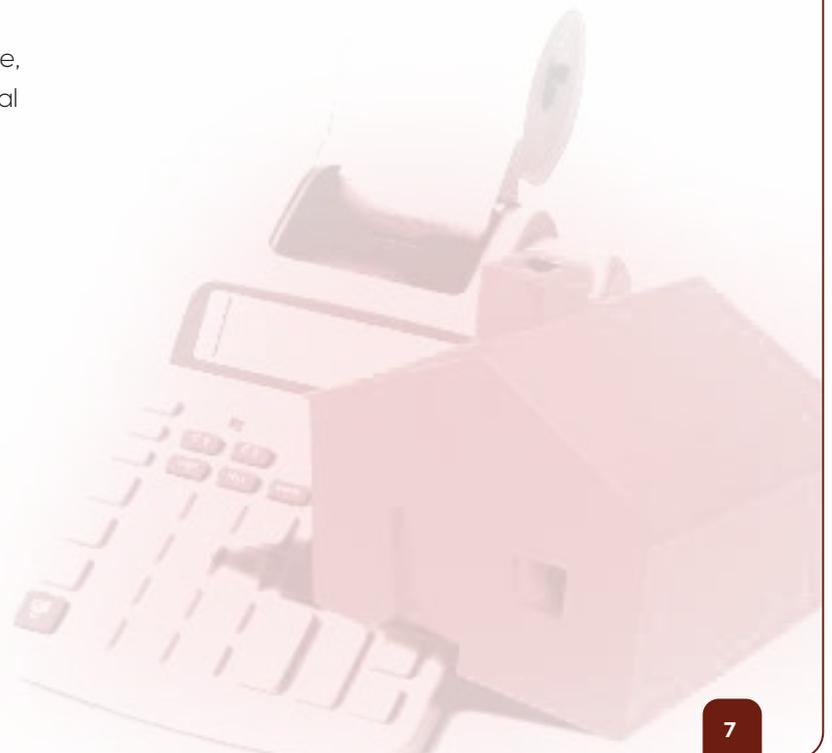
Some purchasers wish to also get the advice from an independent lawyer. This is your option, and they usually charge a percentage of the selling price plus VAT (22%).

Estate Agent Fees

Agent fees are split between the buyer and the seller in Italy. They are usually 3% for each to a total of 6%. However, some agents may charge more or less. Be sure to ask ahead of time so that you can include this in your budget.

Surveyor Fee

This is the Geometra who will check to make sure that all the documents for the house are up-to-date and legal, that the building has a fully registered title and that the house complies with planning regulations.



Ongoing Costs

Utility Suppliers

Depending on where you buy, you will have a selection of utility suppliers. Their rates and services can vary quite dramatically, especially if you are buying a country property where there are no city connections.

We highly recommend understanding the utility costs of the property before purchasing as supplies like heat/gas can be extra high in some parts.

Municipal Tax (IUC)

Taxes in Italy can be complex and change often.

Generally, when you own/rent a home you have to pay the Municipal Tax (IUC) which includes three taxes (TARI – TASI - IMU).

It is best to check with your agent on the status of the current rates.

IMU: This is a tax that is paid on any real estate assets. If you are buying as a primary residence, then you are exempt, unless it is classified as a luxury property.

- **TARI:** This is a garbage tax and has to be paid by the person living in the property. So if you rent it full time to someone, this fee is paid by them. The amount, and number of payments is determined by the municipality so be sure to ask your agent.

- **TASI:** This is similar to your property tax (in North America) or Council Tax (UK) for all of the services provided by the local government.

All property owners/tenants (for lease of more than 6 months) will have to pay, the portion decided by the Municipality. This tax is paid in two payments in June/December of each year.

It may be possible for a reduction of this tax if you have a holiday home. It is best to ask your agent ahead of time.

- **The IMU** is paid in two instalments on the June 16th and December 16th of each year.

A Note on Exchange Rates

It is likely that you will need to exchange large amounts of money from your home currency into Euros. We strongly recommend that you seek quotes from at least three (3) currency exchange specialists before sending money abroad to pay for a property purchase.

Any differences in the rate of exchange and the fees associated to it, can dramatically affect your purchase price and the costs of ongoing maintenance of the property.

Currency exchange is volatile and changes daily. Proper planning is critical in maximizing the best rates and keeping fees as low as possible.

We are happy to refer you to companies that specialize in foreign currency exchange rates.

Find the Right Estate Agent

Finding the right estate agent is one of the most important steps in your property search. Finding a good agent that has very strong and deep ties to the area is critical in your success. They will know about properties that are not listed online, spread the word around owners and introduce you to areas that you never knew existed.

It is vital that you seek the advice and guidance of a professional to ensure peace of mind and to reduce risks. It is not unusual for unlicensed people to try to convince you to work with them in the sale of a property by making promises that are either untrue or illegal. By using unlicensed representatives, you run the risk of not only losing significant money, but the possibility of facing future legal problems.

We highly recommend using a licensed real estate agent for your purchase in Italy rather than buying privately. The Italian system can be complex and unlike in other parts of the world, they do not use an MLS service.

Each agency has their own set of listings, some exclusive, some general, and some never list the new properties online right away.

You will find many estate agent offices and advertising in every town/city in Italy. You can contact most of them through email, phone or by dropping in on their office. However, be aware that offices are often closed between 1 – 4 pm and many are not fast to respond to email. Patience will go a long way in finding your perfect estate agent.

Of course, if you are buying in Tuscany, we can provide you every service you require, and we have very strong ties to many communities.

We are known to work magic and find the perfect property that no one else could. We welcome all enquiries, without any pressure at any time. We understand that buying a property in Italy is a big decision and our goal is to make sure you have the best property within your budget possible.

If you are looking outside of Tuscany, and trying to decide on an agency, we have put together a little guide to help you find the best, most trustworthy agency that is ready to help you immediately.

Important things to look for:

The agency operates legally and ethically and belongs to a professional association, such as FIAIP and FIMAA.

Get a recommendation from someone you know (if possible)

Always ask for the agency's registration number.

Ensure the agent has a "hunter" instinct. Properties in Italy can be difficult to find, and someone in the know and who is willing to search for your needs is critical. Make sure they answer your calls, messages and email quickly. If you have to keep chasing them – do not use them.

Test the agent before you arrive for a viewing by sending notes and forming an online / phone connection. Their enthusiasm will show in their response time and attitude very quickly.

Don't take an agent just because the property you found on an Internet search is listed with them. It is common practice for sellers to have non-exclusive contracts on their property.

Unlike North America, property owners list with many different agencies to get maximum exposure.

If you find an agent you like, ask them to see if they can show you the property of interest. It is highly likely they can.

Be sure that they have experience working with foreign buyers plus has someone within the agency that speaks your language fluently.

Ask about their after-purchase services. Although not obligated to do so, good agents can offer to help you with settling into your new home. Look for someone who is committed to your happiness after the sale.

When to Book Your Viewing Trip

Your viewing trip can be very exciting and overwhelming at the same time. It is best to be as organized as possible prior to leaving. This will be the time to explore the area in more detail and see what properties may be available and within your budget and needs. Don't rush it. Take your time to get to know the area more.

We recommend, if possible, to book your viewing trip off-season. This will give you a much better idea of what it is like to live in the area, what amenities remain open, and what the area has to offer you at all times of the year.

Also, estate agents are usually less busy and buying time is slower, which can result in better negotiating power should you find your dream property. Be sure to check the local holidays in Italy and make sure that you are not there when everyone is closed!

How to Make an Offer

This is where having a good and trustworthy relationship with your estate agent is key. They will be able to give you advice on the local market trends, values and insight into the seller that will help you decide on an appropriate starting offer.

Be prepared to negotiate from the start. Italian property holds its value quite well, and things like the popularity of the area, length of time the property has been on the market, and the motivation of the seller will all factor into the offer and final negotiated price. Do not expect deep discounts.

Italian sellers tend to be slower to respond and will take their time to think about the offer and discuss it with their family members. The best advice is to be patient and prepare for a long wait. You may get lucky and strike a deal immediately, but chances are there will be some back and forth.

Be sure that your agent knows your top budget limit. Do not be afraid to tell them what the maximum you are willing to pay.

You Got it! Now What?

Congratulations! You are soon to be the proud owner of your dream property in one of the most beautiful places on the planet!

It has been a lot of hard work, patience and stress, but finally you have agreed on the selling price and are ready to close the sale and take possession.

There are two (2) steps involved in the buying process:

Step 1

The Preliminary Contract (Compromesso)

This contract commits both parties to the sale of the property at the agreed upon price. It will establish the terms of the final contract (Rogito) which include the price, completion date, type of property, guarantees from the seller and any other relevant legal details.

You can pay the full deposit at this stage (usually 1/3 if the price). Keep in mind, that if you decide to withdraw from the sale after you sign the Compromesso, you will forfeit your deposit. However, if the seller changes their mind and withdraws from the sale, they owe you 2 x the deposit.

Step 2

Sale of the Property (Rogito)

This is the final stage of the process where the ownership is transferred from the seller to the buyer. The process can take about 1 – 3 months after the Compromesso is signed.

The Notary will draw up the document and all parties, the seller, buyer and the estate agent must be present for the signing.

You will be expected to transfer the final payment for the property to the seller and the Notary. At this stage, you will also be required to pay all taxes and fees associated with the purchase of the property.

Seeking Legal Advice

Buying property, at home or abroad, is a major investment and it is important that you feel you have the proper guidance and advice to ensure your rights are protected.

Many buyers will seek the advice of an Independent lawyer, although it is not mandatory by law. Your lawyer will oversee the entire process for you, advise you on tax and inheritance issues and ensure that you understand the contract and all documents. Be sure to find a lawyer that speaks your language very well. There are many English speaking lawyers in Tuscany and Italy and it is best to ask a friend or your agent for a recommendation.

Notary

All property purchases in Italy will require the services of a notary. This is not the same as a lawyer. A notary in Italy is legally trained but employed by the Italian government and does not act on the behalf of either the buyer or seller.

Instead, the notary is there to ensure all of the correct paperwork is completed, rubber-stamp the transactions and to ensure all taxes are paid and registered.

— Thank You!

Thank you for taking the time to read our
Guide to Buying Property in Italy.

We hope that we have helped answer most of your questions and have provided some guidance on the process of buying property in Italy.

We are always on the look out for many special properties to match our clients search criteria. We are deeply connected to Umbria, Tuscany and the Cortona area and are able to help guide you from the start of your property search, to finish and beyond.

If there is anything else that we can help you with, please call us and we we'll try our best to help you.

**We hope to meet you soon and
welcome you to beautiful Tuscany!**

CONTACT US

Cortona Case Immobiliare
Via Guelfa 27, 52044 CORTONA (AR)

Tel +39 0575.604881
Cell +39 333.6444113

info@cortonacase.com
www.cortonacase.com

COPYRIGHT & DISCLAIMER:

Guide to Buying Property in Italy first published in Italy in 2016 by: Cortona Case Immobiliare di Tanganelli L. - Ruolo N. 2477 P.Iva: 02212390518

No part of this publication may be reproduced, stored in a retrieval system or transmitted in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without the prior permission of Cortona Case Immobiliare di Tanganelli. Visit our website at: www.cortonacase.com