

# Investing in Tuscan bricks with Toscocountry

## *A complete guide for buyers of property in Italy.*

### ***CHOOSE THE RIGHT HOUSE WITH THE RIGHT PERSON***

The first step towards purchasing a Tuscan house, probably the most important, is the determination of your **budget**, thinking also at the possibility of asking for a **mortgage in Italy** (why not?). Once you have decided what sum you are ready to spend, you have to calculate that this sum will be burdened by the **taxes** to be paid at the time of the final contract, the notary and geometra fees, the commission rates of the agency without of course including the restoration works.

### ***THE AGENT***

The second step will be the focusing on the features you want in an ideal home...bearing in mind that the perfect one does not exist and that everything is always a compromise!

The easiest way to find the right property is to find a reliable Real Estate Agent that you think you'll be comfortable working closely with. To ascertain the expertise and competence of the agent then following list is a good starting point:

- 5 Are they a member of the Italian Registry of Italia Real Estate Agents (Albo degli Agenti Immobiliari)? Keep clear of unregistered agents, if they are **NOT** on the list, they are probably trading illegally!!!
- 6 Are they insured against professional risk?
- 7 Are they part of one of the two main organizations of real Estate Agencies: the FIMAA, (Federazione Italiana dei Mediatori e Agenti in Affari) and the FIAIP (Federazione Italiana degli Agenti Immobiliari Professionali)?

**<<< Toscocountry belongs to the FIMAA, is registered and insured. >>>**

Last but not least, in terms of commissions, agents must receive money from both the seller and the buyer (by Italian law) to ensure the realtor is impartial towards both parties in transaction. The average figure is 3% plus Vat.

### ***DOCUMENTS AND ACTS***

Now, after your House-Hunting experience, let's assume that you find the right property: the next step will be starting the process to buy.

The Real Estate Agent will prepare a '**Proposal to Buy**' in your name, indicating the purchase price that you propose for that property. The 'Proposal to Buy' normally has a validity of one week and within that period the **Vendor** will have the power of accepting, refusing or discussing the price with you again. When he accepts, the price won't be discussed anymore.

At this point, you will be asked to leave a deposit to the Agency, normally with a cheque in the name of the Vendor, that will be given to the Vendor only in case he accepts the price, signing your proposal.

**Please Note** that if the affair does not go ahead at this stage, for any reason, the sum will be given back to you without any penalty.

When the vendor has accepted and signed the proposal, you can now instruct a lawyer, in Italy called a **Geometra** or an **Architect**, to make all the structural and legal checks of the property at the Land and Building Registry office (the Catasto).

We can advise you on which Geometra to use, most agents work closely with local geometras building up a relationship that can make all the difference when it comes to the crucial stages!

He/she will write a **preliminary contract**, otherwise called **Promise to buy** (in Italian: **Compromesso**), which needs to be registered by the buyer, between Vendor and Buyer. This contract normally includes:

The agreed price of the property

Times and methods of payments

The date for completion

If the property that is being sold is burden by liens or similar

Includes the Vendor guarantee that he owns what he sells and that the property is regularly sellable

The description of the property

The indication of the boundaries of the property

At this point the Buyer pays normally a 30% of the purchase price to the Vendor, equivalent to a statutory deposit.

#### **PLEASE READ, VERY IMPORTANT INFORMATION.**

**In the event that the process *does not* go ahead because the Buyer (YOU) withdraws through no fault of the Vendor (THE SELLER), the deposit given is lost. While if the Vendor (THE SELLER) cannot meet the terms of the Compromesso - or simply withdraws - then DOUBLE the deposit must be returned to the purchaser (YOU).**

#### ***FEES***

Estate agency fees are payable by Vendor and Buyer at the Compromesso stage.

#### ***FINAL STAGE***

Last step of the purchase process is the signing of the final contract, called **rogito**. That act will be completed by the **geometra** and submitted to the **Public Notary**, who witnesses the transfer of ownership from one party to another and collects the taxes due on the transaction. He/she will check that the taxes and dues have been paid and if the property is burden by mortgages or debts etc.

Afterwards the Notary will register the new title within 21 days. If you have taken out a mortgage he/she will register this too.

#### ***THE PRIMA CASA FACILITIES AND THE PURCHASE TAXES:***

What is here given is just to inform you which taxes one normally has to pay at the moment of the purchase completion. The calculation of taxes is something quite complicated which only a notary can do, knowing exactly how much you need to pay at the completion date, the sum that will be given by the notary to the Registry Office within 20 days.

If the house you are buying is your first house in Italy and you decide to be a **full time resident** (you have 18 months time to become a resident in Italy) the taxes that need to be paid are:

2% registration tax based on the statutory value of the house

50 euros for the imposta ipotecaria

50 euros for the imposta catastale.

If you are buying as **non resident**, you will pay 9% of the statutory value.

If you are buying from a Building company you will have to also pay the VAT .

If you decide to live in Italy permanently, there are advantages when you buy your first house. This is what you need to know:

- 8 It has to be the only house you own in that Comune
- 9 You have to be a resident in the Comune where you want to buy, and you have basically 18 months to organize this: you must go to the Questura (Local Police Headquarters) complete a form and after 2-3 months, you will be a Resident.
- 10 It does not have to be a luxurious house.
- 11 It is enough to declare the intention of becoming resident when you go to the notary to complete the purchase. False declarations are punished by the Italian law.
- 12 You also cannot sell your house for at least 5 years, unless you buy another first house for permanent living, or pay the tax difference.

### ***COMUNE TAX IN ITALY***

There are two local property taxes in Italy which are both based on the property's rental value according to the local land registry: the IMU (imposta municipale unica) which is paid by all the people in June and December, that own a house in Italy and is calculated on the value of the house itself, and the rubbish collection, normally quite cheap.

**HAPPY HOUSE HUNTING!**

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