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At Total Buying Abroad we specialise in helping you turn your dream of owning a property in Italy into a reality.

In this guide we aim to provide you with information that will help you to successfully buy your ideal property in Italy, avoid some potential pitfalls and safeguard you and your property in Italy.

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# Italian Property Buying Timeline

Below is the contents page for this guide, handily set out as your property buying timeline to help you organise what to do and when! More detailed information on each stage of the process is provided in this guide.



## Optional services you might need along the way



# 01

## Think & make a list

Throughout the process of buying a property in Italy it can be helpful to keep in mind what you want from your Italian property and how you intend to use it. Will it be a holiday home? An investment to be rented out? or a permanent new pad? Sit down and make a list of what you want the property to have as well as what you want out of a property and its location to ensure that your requirements are not forgotten in the excitement of the viewing process.

You can then refer to this list when viewing properties to ensure that it ticks the boxes and the property provides you with what you require. This will also help when providing information to estate agents to help them assist you in finding your ideal property and make sure that you can use it as you intend.

**Did you know...** in some circumstances the neighbours of land or property for sale in Italy have a priority right to buy and must be notified before any other person purchases it.

You will also need to work out how much you want to spend on the property and how you would finance this. Will you need a mortgage? If so do you know how much you will be able to borrow and how much deposit will be required?



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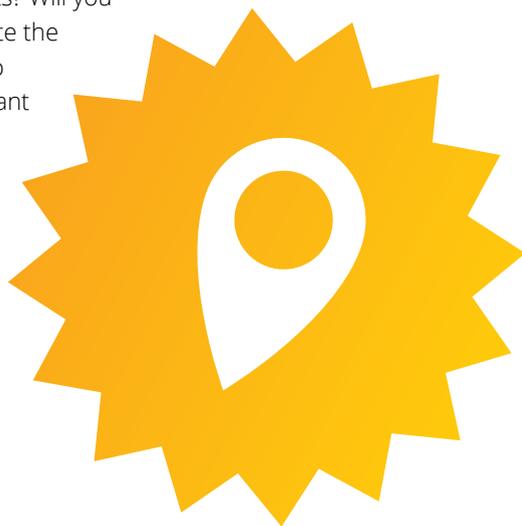
## 02 Research Location

**Location location location! Finding the right area is so important in making sure you get your property purchase right.**

Go out to Italy and stay in the areas where you want to buy. Check out the local amenities to ensure the area offers you what you and your guests may need. Are there enough shops, bars, restaurants and other facilities for your requirements? Would the noise from any of these affect your enjoyment of a property nearby?

How far is this area from the airports? Will you need a car? It is helpful to investigate the transport links and infrastructure to ensure this will provide what you want from your property in Italy.

It can also be useful to visit the area at different times of the year. What can be a bustling town with plenty of local amenities during the summer months can become a ghost town in the quieter winter months.



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## 03 Contact recommended estate agents:

**Once you have an idea of your preferred area of Italy you can then focus your property search.**

Finding a good estate agent to help you with your property purchase in Italy could help to reduce the time and hassle it takes to find your perfect property. However this is often easier said than done!

Most Italian agents only deal with properties in their local area and don't have details of properties in other regions. It can therefore be helpful to get in touch with a local estate agent who knows the area well and the properties that are for sale.

Many estate agents in Italy do not advertise through online portals so it can be difficult for foreign buyers to see many of the properties on the market without the help of an estate agent in the area. Some Italian agents in areas popular with foreign buyers do work with overseas agents who help to market the properties to foreign buyers.

The estate agent profession in Italy is regulated and estate agents must be registered with the local chamber of commerce (camera di commercio) and have a certificate issued by the local commune as proof of registration. There are however many who act without the required licences.

Given the high commissions commanded by Italian estate agents (anything from 3% to 10% or even more!) it is not hard to see why the profession has attracted some unscrupulous characters over the years.

Estate agents in Italy also vary significantly in their enthusiasm and professionalism and most do not speak English. Although there are some very good estate agents in Italy it is important to make sure you exercise some caution when choosing an Italian estate agent.

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### Your Italian Estate Agent should:

- Be registered with the local chamber of commerce (camera di commercio) and with the Italian association of estate agents AICI, federation of mediators and agents (FIMAA) or federation of professional estate agents (FIAIP).
- Have experience and knowledge of the local Italian property market and the local area.
- Make an effort to understand your particular property requirements and help you to understand what your budget will realistically achieve. They should provide you with details of Italian properties that actually meet your criteria and not just properties they are trying to push.
- Respond quickly to your enquiries in a professional manner.
- Be organised and have a file with details and documentation relating to the Italian properties they are selling.
- Encourage you to find and instruct your own independent lawyer and not try to convince you that you don't need a lawyer or encourage you to use their in house lawyer.
- Not try to put you under any pressure during the process.
- Be honest and about issues such as rental potential of the Italian property and any restrictions there may be on altering the property.

### Commission

Italian estate agents will usually earn a commission of between 3% and 10% if they successfully arrange a sale between a buyer and seller. Estate agents commission is usually subject to a minimum fee.



The commission is usually split between the buyer and the seller. Commission will often be added to the advertised sale price so it is a good idea to check whether or not this has already been included in the price if this is not clear before making any offers.

Foreign agents working with Italian agents usually share the standard commission, so buyers usually pay no more by using a foreign agent. This is not always the case however and so it may be wise to check to ensure you are not paying double commission.

### The role of an estate agent in Italy

Estate agents in Italy advertise and market and properties that are for sale and connect buyers looking for properties in Italy to those looking to sell theirs.

Many estate agents will help you to find a property that matches your search criteria even if they do not have a suitable property on their own listings. Some agents will contact other agents on your behalf to try to find suitable properties on the market for you. They will usually then share any commission with the other agent. Therefore if you are working with an estate agent you are happy with, make sure you ask them if they can help you find your ideal property even if they do not have anything suitable on their own listings.

Estate agents also help you to negotiate the purchase price for the property. Remember however that estate agent's fee is usually connected to the amount the property is sold for so it is in their interest for the purchase price to be as high as possible!

Estate agents in Italy may also help in other ways, for example by offering to show you the local area to show you the schools, doctors surgeries and other amenities.

In terms of the buying process itself however, once an offer has been accepted on a property in Italy, your Italian property lawyer should take over from the estate agent from that point.

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We cannot stress enough the importance of instructing your own independent Italian lawyer to assist you with the purchase of a Italian property. It is common for estate agents in Italy to try to push buyers towards using their “in-house” or “recommended lawyers” to deal with the property purchase in Italy or even try to persuade buyers not to instruct a lawyer at all!

A lawyer working closely with an estate agent clearly has a conflict of interests. Whether you are buying a resale property (i.e. one that has already been lived in) or new build property, decline any offer for the estate agent to recommend a lawyer and source your own lawyer who is independent and not connected to the estate agent or developer. That way you will have peace of mind that your Italian lawyer’s aim will be solely to protect your interests and not just to ensure the sale goes through so that estate agents get their commission.

**It is important to instruct your own independent Italian lawyer who is not connected to your estate agent to assist you with your property purchase**

Getting a recommendation for a good, reputable estate agent can help you to navigate your way through the Italian property market and save your valuable time.

If you find a property that you wish to purchase, estate agents will often provide you with an initial purchase contract and request a deposit to commit you to the purchase. You should also always consult with a good independent Italian lawyer before paying over any deposit or signing any contracts in order to protect your interests and your investment.

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## 04

### Book a viewing trip

**Once you have decided you are serious about getting your own little slice of Italy you will need to arrange a viewing trip to go and see some properties!**

Do not just rely on the pictures of the property and descriptions online! You must always make sure that you have actually been to see a property before paying any deposits or signing anything. You may think this is obvious but it does happen!

It is helpful to contact a recommended estate agent before you arrange to go out to Italy to view properties so that you can shortlist the properties that you want to see, make sure they are still available and arrange viewings. It is frustrating when you have arranged a trip only to find the property you wanted to see is no longer available or is not available for viewings during your stay.

Try and give yourself plenty of time during your viewing trip and see as many of your shortlist of properties as you can, allowing you to make an informed decision in your own time.

Italian estate agents will usually take you to the property themselves rather than arranging to meet you at the property. This is usually to safeguard their commission and prevent the buyer and seller dealing direct. It is also usual for them to arrange to spend some time showing you around a few of the properties they have for sale.



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It is worthwhile if possible to go back to try to find the property yourself and spend some time having a look around the surrounding area to satisfy yourself that the estate agent hasn't taken a particular route which avoids going past some thing that may put you off!

### Think practically

It is easy to get caught up in the excitement of viewing the properties but you should make sure you look at each property with your head and not just your heart!

Consider if it will be suitable for you long term. If you are viewing in summer, consider what the property will be like in the winter months. Italian houses are often built with little insulation, solid stone walls and with limited heating. With temperatures much colder in the winter, it might be worth checking out the heating sources for the property if you want use it all year round.

It can also be worth taking in to account the on-going costs of the property including local taxes, service charges, utilities and pool maintenance. Ask the estate agent if they can provide details of this.

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## 05

# Contact a recommended independent Lawyer

**Buying a home in Italy is probably of the most significant investments you will make and getting a good lawyer to protect your position is vital.**

The process of buying a property will be different in Italy to buying in another country. It is important that you instruct an Italian lawyer to advise you and look after your interests to ensure your dream of buying a property in Italy does not turn into a nightmare.

### When should you instruct your Italian property lawyer?

We recommend that you get in touch with a independent Italian lawyer before you head out on a property viewing trip on which you could potentially proceed with a property purchase.

Identifying a recommended English-speaking lawyer in advance of your trip will mean that you can make your decision as to whether they are the right lawyer for you before to deciding to instruct them.



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Getting in touch early will give the lawyer the opportunity to provide you with an outline of the buying process so you know what to expect and what to and not to do! They can also advise you about their legal fees and the other costs associated with the purchase so you can budget for these before you negotiate the purchase price with the seller or estate agent.

When you are happy with the lawyer and have their contact details to hand, you can confidently move forward with a property purchase with their guidance. We strongly advise that you do not sign anything or pay over any money at all before you have obtained specific legal advice.

**Total Buying Abroad can arrange for one of our recommended independent English-speaking Italian lawyers to contact you and provide you with a no-obligation quote for their services.**

### Choosing an Italian lawyer

Choosing the right Italian lawyer (avvocato) is an important decision. It is strongly recommended that you instruct an independent English-speaking lawyer who has experience advising international clients in relation to property purchases in Italy and one who is not connected to/ suggested by the estate agent.

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#### Your Italian lawyer should:

- Be independent. By independent, we mean that the lawyer is not connected in any way to the estate agent, developer or seller.
- Be English-speaking. Unless you speak Italian fluently, you will need an English-speaking lawyer. There is no point paying for advice you don't understand!
- Have experience of advising international clients with property purchases in Italy.
- Be Registered. You should ensure that your lawyer in Italy is properly registered with the local bar association (Ordine Degli Avvocati). Your lawyer will be able to provide their registration details so that you can check this.
- Be insured. You should check that they have adequate Professional indemnity insurance to protect you should there be any problems as a result of their advice.

**Did you know.... In Italy debts such as mortgages can be attached to a property rather than the individual and can be passed on to the purchaser. Your Italian lawyer will make sure that the property is free of any debts before you buy.**

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### What is the role of the Notary in Italy?

It is mandatory for an Italian notary (notaio) to be involved in any property transaction in Italy. The notaio is a public official. Whilst Italian notaries are part of the legal profession, it is important to make sure you do not confuse the role of your lawyer/solicitor with a notary.

The role of a notary in Italy is to oversee the paperwork in a property transaction, collect all necessary taxes and register the property with the Italian Land Registry. Italian notaries do not act for either the buyer or seller. You should instruct your own independent lawyer to advise you in relation to the property you wish to buy.

**It is recommended to budget for 10-15% in addition to your property purchase price for all the additional costs including purchase taxes, notary fees, land registry fees, lawyer's fee**

### Other hints and tips

Make sure you tell your Italian lawyer about all the plans or potential plans you have for the property. For example if you are thinking of making an income from the property by renting it out to tourists or if you plan to renovate or extend the property, make sure your lawyer knows this and instruct them to make sure that there are no laws or local restrictions preventing you from carrying out your plans.

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## 06

### Register with a foreign exchange company

**At Total Buying abroad we aim to help make your Italian property purchase as stress free as possible. One of the easiest ways to reduce not only the stress but also the cost of buying a property in Italy is to use the services of a recommended currency specialist also known as a foreign exchange (FX) company.**

If you are thinking of buying a property in Italy, the property price will probably be in Euros. If you have your savings in Sterling (or another currency) you will therefore have to consider how you will deal with the currency exchange.

Your first thought may be to instruct your bank to transfer the money, however this can be a very expensive and inefficient way of dealing with the purchase. Using a currency specialist instead can save you significant amount of money, often many thousands.



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### So how do currency firms save you so much money?

We all know the banks like big profits. Charging excessive amounts in commission to transfer the funds as well as offering you a less favourable exchange rate is just another way that high street banks make lots of money at the expense of their customers.

Currency specialists however, are able to offer you far superior exchange rates when compared to the banks- they can usually save you up to 5% of the amount you are transferring. So if you are buying buy a property for €200,000 you could save up to €10,000 on the currency rate alone ... but that's not all!

**Using a currency specialist can save you up to 5% of the transferred amount and also provide advice to help you avoid the impact of exchange rate fluctuations on your purchase.**

Currency specialists can also provide advice and transfer strategies like fixing the exchange rate to help you avoid the impact of exchange rate fluctuations on you purchase. See the example below, which demonstrates how it works:

#### Example:

Mr and Mrs Jenkins had an offer accepted on a 3-bed farmhouse in Abruzzo for €230,000. Their savings for the property were in their UK bank account in GBP. On agreeing the price with the seller the exchange rate was €1.25 to £1. Therefore they budgeted £184,000.

However when the time came to complete the purchase, the exchange rate had dropped to €1.18 to £1. They therefore now needed to find £194,915. £10,915 more than they had budgeted for! Ouch!

Fortunately Mr and Mrs Jenkins had contacted Total Buying Abroad who had put them in touch with a recommended currency specialist. The currency specialists advised that they should protect themselves against the risk of adverse currency fluctuations by fixing the exchange rate that was in place at the time their offer was made (this called a Forward Contract). This meant that they would know the exact amount that would due on the date of completion with no surprises (and less stress!).

By fixing the currency rate of €1.25 with the Forward, the Currency Specialist helped the Mr and Mrs Jenkins save £10,915!!

**When transferring money from one currency to another, it is essential to use a recommended currency specialist, they can save you thousands compared with the banks**

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# 07

## Getting a Codice Fiscale

**In order to buy a property in Italy, or undertake any other form of official process in Italy such as opening a bank account or setting up utilities for a property, you will require a Codice Fiscale.**

A Codice Fiscale is an official number used for tax and identification purposes in Italy. It is similar to a Social Security Number in the US or a National Insurance number in the UK.

The Codice Fiscale is provided as a tax code card and if you are thinking of buying a property in Italy, you will need one! If more than one person is going to be registered on the title deeds, each person will need to have their own number.

### How do you apply for a Codice Fiscale?

You will need to take with you're your passport (it is usually helpful to take a couple of copies of this with you too). If you are not a EU-citizen you may also require your permit. They may also require some other documents, so it can be helpful to contact the local office in advance to check what is required before you go. It may be wise to check their office's opening times too.

The application process consists of attending the tax office with your documents and filling out the Codice Fiscale application form (this will be in Italian so a dictionary might be handy if you have not yet got round to learning Italian!). The process is relatively straightforward although you may have to queue at the office for some time.

When you have completed the application, you will usually be provided with your number, usually there and then. Your Codice Fiscale card will be sent out to you later by post.

You can also apply for your Codice Fiscale at the Italian Embassy in your home country.

Your Italian lawyer helping you with your property purchase may also be able to assist you with obtaining your Codice Fiscale.



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## 08 Open a bank account

In order to own a property in Italy you will also need to open an Italian bank account. Your identification and codice fiscale number will be required to do this, and you will also need to choose a suitable bank.

You should attend the local branch in person to discuss opening an account.

If you opening a joint bank account in Italy, both account holders will need to have their own codice fiscale.



## 09 Complete property purchase



So your estate agent has helped you to find your perfect property, your offer has been accepted, you have registered with a currency specialist and your lawyer has undertaken all the relevant and legal steps to protect your position and secure the purchase. You will then be ready to complete your property purchase.

In Italy a notary (notaio) deals with completion of the purchase of Italian property. Your lawyer will advise you of a suitable notary and will usually arrange an appointment for the purchase to be completed at the notary's office.

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# 10

## Set up utilities

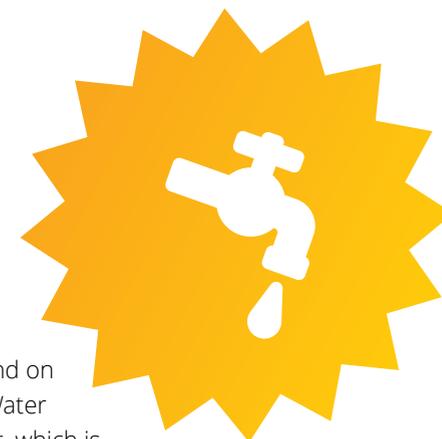
**When you have found your perfect property in Italy, you will need to arrange connection to utilities and communication services in Italy.**

Dealing with Italian utilities companies can be bit of an uphill struggle and not one of the most exciting tasks you will need to deal with in relation to your new Italian home.

It is becoming increasingly common for lawyers dealing with the purchase of property in Italy to offer services in relation to the transfer of the utilities, especially if they regularly deal with international clients buying in Italy.

If you wish to save yourself the hassle of setting up the utilities to your Italian home including water, gas and electricity it may be worthwhile asking your Italian lawyer if they provide this service.

Bills can usually be paid by direct debit from your Italian bank account. If your lawyer is assisting you with setting up the utilities they may also set these up for you. You can also usually pay bills at a local post office or local bank. You should check in advance that the previous owner has paid all bills. If you will be a non-resident property owner, it can be helpful to give your home country address to the utilities companies so that you can be quickly contacted if there are any problems.



### Water

Each Italian region has different policies with regard to the supply of water. Water rates depend on regional water reserves in each separate area. Water supply is usually limited to a yearly, fixed amount, which is measured by meter.

If you require additional water supplies, for example for a swimming pool, you will usually be billed separately for an extra metered supply. Typically there is one water company for each area in Italy.

To register for water supply you will need to provide your tax code and identification details to the relevant water company, together with the address of your property.

### Electricity

You will need to sign a contract with an electricity company for the supply of electricity. There are various electricity providers in Italy and you are free to choose which provide you would prefer.

In order to set up a contract for the supply of electricity in Italy you need to contact the provider and will require proof of identity, your tax number, bank details and details of your property.

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### Gas

Gas is widely used in Italy for heating the property, heating water, and cooking. Gas supply will usually be either mains gas, generally available in towns, or an outdoor gas tank.

If your Italian property has mains gas, you should contact the gas company to have the gas switched on, the meter read and to set up a supply contract. Payments for gas bills for can usually be made at the post office or bank or via a direct debit. An outdoor gas tank or bombola is usual for properties in more rural areas.

### Broadband, Telephone and TV in Italy

Many of us dream of living in or getting a second home in Italy only to be put off by missing our family and friends or even our favourite TV shows. In this digital age a good broadband connection can bring your family and friends to your terrace in the sun.

Mobile technology combined with online media applications such as Skype and Facetime has brought face-to-face catch ups a daily event.

Having a reliable fast broadband connection in Italy has for many people become essential to making your place in the sun a home from home.

Internet in some areas of Italy can be slow so it would be worthwhile checking with a service provider or the current owner that you will be able to connect to the internet and the likely speeds before you purchase.

There are several companies offering a variety of packages and rates, which may include broadband, TV and telephone.

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### Make an Italian will

**Once you have bought your property in Italy, you should make a will to cover this asset should anything happen to you. Inheritance laws vary from country to country and the laws in Italy about who inherits your assets may not be the same as in your home country - and it may not be who you think!.**

It is common to have a separate Italian will to cover your property and other assets in Italy to ensure they are inherited according to your wishes.

There never seems to be a right time to make a will but making a Italy will with your Italian lawyer at the same time as you purchase your property will save money on this and is a good time to deal with this and get it off the "To Do List".



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## 12 Sit back & enjoy

Congratulations -You've made it!  
Whether it's a Negroni or a Prosecco,  
its time to sit back, and enjoy  
your slice of Italy!



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Other Services that you may need along the way...

## 13 Mortgages

If you are planning to buy an Italian property and require mortgage finance, you will need to review the range of Italian mortgages available to establish the best option for you.

Many people choose to use a mortgage broker who specialises in Italian mortgages to assist them. Instructing an Italian mortgage advisor can have considerable advantages as well as reducing the time and hassle in finding and reviewing your options.

### Criteria For Italian Mortgages:

Affordability is the main criteria for deciding eligibility for a Italian mortgage. Therefore in order to qualify for a mortgage in Italy, the Italian lender will need to establish whether you can afford to maintain the mortgage repayments.

Your existing outgoing payments are taken into account, including any other mortgage or rental payments, loans, credit card payments and even payments such as maintenance payments or any court judgements against you.

Italian mortgage providers will usually require that when the Italian mortgage repayment is added to your existing outgoings, the total is not more than around 40% of your net monthly income (this percentage may vary slightly).



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You will need to supply various documents to prove your income and liabilities.

### Typical Italian Mortgage:

Maximum Loan to value: 60%

Maximum Terms: 20 years, maximum age 70

Minimum Loan Amount: €70,000

### Procedure

1. Contact an Italian mortgage specialist / review the range of Italian mortgages available to establish the best one for you.
2. Obtain an Italian mortgage quotation and Approval In Principle.
3. Complete the lender's application form and provide supporting documentation.
4. Italian mortgage lender arranges a valuation of the property.
5. Italian lender provides the mortgage offer.
6. Completion of Italian mortgage takes place in front of an Italian notary with the completion of the property purchase where the mortgage deed will be signed

Using the services of a specialist Italian mortgage broker has many advantages including saving you time and money. They can use their experience and knowledge to help you get the best deal as well as avoid the pitfalls sounding interest rate rises and currency fluctuations.

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## 14 Surveyors



Having a property survey in Italy is not a legal requirement, however it is recommended that you instruct a surveyor in Italy (known as a Geometra) especially if purchasing in rural areas or if you want to make any alterations to the property.

The relatively small cost of an Italian property surveyor can potentially save a lot of money, hassle and heartache in the long run and it is advisable.

A survey report in relation to an Italian property can help you to make an informed decision as to whether you wish to proceed with the purchase.

Some common problems found by surveyors in Italy are:

- Damp
- Missing building permissions
- Structural defects
- Issues relating to utility connections such as electricity, water and drainage.

If you are seriously considering purchasing a property and you have concerns about the structure, or wish to make alterations, we recommend that you instruct a surveyor before making an offer or paying any deposits.

It is your responsibility as the buyer to ensure that you are satisfied with the property before you purchase. If you proceed without taking proper advice and you find that there are problems afterwards, you may find that the cost of a property survey would have been money well spent!

# 15 Removals

**If you are moving to Italy, the thought of packing up and moving your furniture and possessions can be very daunting and it can be hard to know where to start.**

It is important to find a reliable international removals firm that you can trust. After all they will be responsible for all of your possessions during your move. A good removals firm will be able to assist you and steer you smoothly through the whole process, from packing up your home to unloading at your new home in Italy.

Whilst it initially may seem expensive, shipping your possessions will probably be cheaper than furnishing a whole house in Italy, which can be very costly!

If you do want to ship your possessions, the good news is you can take pretty much anything and everything! Possessions can range from a car to a cushion!

Many people do not necessarily want to take a full house load but feel they can't live without a few special things. Some removals companies offer part-load spaces or tea-chest size loads so you can still take your favourite items without having to pay for a full load.



## Timeframe

It is a good idea to get in touch with a firm around 3-6 months before your planned move date. That way the removals firm can visit your house, calculate exactly how big the container will need to be and prepare an accurate quote. It doesn't matter if you don't have a definite moving date or full address of where you are moving to - these can be updated at a later date.

Don't panic if you don't have that much time, removals can also be dealt with in a smaller time frame too.

## Looking for an international removals firm

When looking for an international removals firm, you should choose one that is a member of the British Association of Removers Overseas (BAR), FAIM and FIDI Global Alliance.

You should also check that they have insurance that will cover all of your possessions throughout the move including whilst at sea and that they cover any loss or damage in transit.

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## Pension, investments and tax

**If you are planning to move to Italy you will need to know how to receive your income, such as state pension, private pensions and investment income in the most efficient way from both a practical and an Italian tax perspective.**

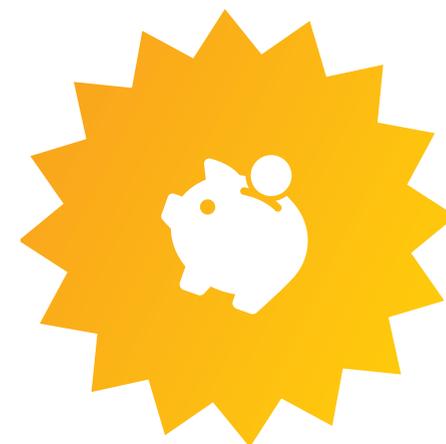
If you spend more than 183 days a year in Italy you will become a resident of Italy for tax purposes and will be liable to declare your income in Italy to the Italian tax authorities and pay income tax under the Italian tax rules. Even if you do not reside in Italy you may also be liable to pay tax on income you receive which arises in Italy for example rental income for a property in Italy.

Any existing investments structures, which generate income for you whilst in your home country, may not continue to receive their tax benefits once you become a resident in Italy and subject to Italian tax rules.

There may also be tax advantages which you would be eligible for under Italian law when you receive your income in Italy but are not benefitting from as part as your existing pension or investment, or tax advantages you are eligible for but may not be aware of.

You should therefore have a financial advisor in Italy who can advise you as to your obligations and also the best way to structure your income and investments so that they work under Italian tax laws.

You should also understand how Italian inheritance tax rules interact with the inheritance tax rules of your home country and how they apply to your worldwide assets.



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