

Frequently Asked Questions about Buying and Selling

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PITCHER & FLACCOMIO TM

GENERAL INFORMATION

Q: Are you a legally qualified real estate agency?

A: Yes. We have a license granted by the Florence Chamber of Commerce but not everyone selling house has such a license.

Q: What does “legally qualified” mean?

A: This means that we are professionally trained and have a license which was issued following an examination by the Florence Chamber of Commerce. We are obliged to have a professional insurance policy, and must adhere to the regulations and ethical standards stipulated in the law number 39/1989. As required by law we are registered with the Chamber of Commerce

Q: What difference does it make if I use a legally qualified company or not?

A: A legally qualified company in Italy is registered, licensed and must be covered by a professional insurance policy to protect you. People who are not licensed, are acting illegally and therefore are not within the law and cannot protect you. Should a difficulty arise, you would have to then rely on the cumbersome Italian legal system.

Q: What sets your agency apart from others?

A: Our bi-cultural background, and our level of personal involvement and attention to detail gives us insight into the foreigners buyer's/ seller's needs and at the same time allows us to navigate efficiently through the Italian system. We also have a thriving rental agency, and management service for owners of properties in Italy.

Q: How long have you been in business?

A: Suzanne Pitcher has been in the Florence real estate business for more than 25 years, and her son, Corso Flaccomio was made a partner in 2001

Q: Are all the properties that PITCHER & FLACCOMIO represent on the website?

A: No, not all of them; some properties are withheld. Please contact us directly with your request so that we may find a suitable apartment/house/villa for you.

Q: Is there a place where I can check all the properties that are for sale?

A: No. In Italy there isn't a multi listing system, but a good real estate agent like ours, is one who creates a network and collaborates with other agents, creating a form of multi listing to enable you, the buyer, to search all available properties on the market.

Q: Isn't this system confusing?

A: Yes indeed, in fact, it can happen that two or more agents can represent the same house.

Q: So should I use different agencies to search for a house?

A: You can if you wish, but when you find the house that you would like to buy, you will be obliged to work with the agency that first presented the property to you.

Q: Can I work with just one agent?

A: Absolutely, using one agency can make your search a lot easier, as you place all the hard work of searching for your property on to the agency of your choice. A good agent will, network for you with other real estate agencies, will protect and look after your interests. The relationship between a client and an agent should be based on trust and confidentiality

Q: Can I use your agency even if the house I am interested in was presented to me by another company?

A: Yes, we would act as your representative as a paid consultant, and not as an agent working on a commission basis .

Q: What would your services be as a consultant?

A: We would oversee all the documentation presented, prior to you signing the final contract. We would represent your interest exclusively.

Q: If I find a house that interests me but then I go back home, can I make an offer to buy it from abroad?

A: Yes, we can complete the necessary paperwork by e-mail, fax or post.

Q: Can you also help me with my property after I have bought it?

A: This depends on what you mean by help. We can assist you with setting up utility services, refurbishing the property, interior decorating and any repairs if necessary. Please refer to the management section for more information about these services.

Q: Can American citizens buy in Italy?

A: Yes

Q: Can Australians citizens buy in Italy?

A: Yes

Q: Can other nationalities buy in Italy?

A: It depends on which nationality. Most countries, because of the 1998 reciprocity law, which means that, if an Italian citizen can purchase in your own country then you can purchase a house in Italy. In order to buy a property an individual must have a valid entry visa or a "permesso di soggiorno" (permission to stay).

Here you can find a list :

http://www.esteri.it/mae/it/ministero/servizi/stranieri/elenco_paesi.html

Q: If there is no reciprocity agreement can I still purchase a house in Italy?

A: One way to resolve this dilemma is to create a company with at least one Italian partner. Companies can purchase properties. This set-up is not difficult to arrange.

Q: What does having a company entail?

A: As in most countries, a company has to be set up, registered, and follow all the fiscal obligations such as, file an annual income tax return and keep company books and records. This would necessitate an accountant.

Q: Can I build a terrace or balcony?

A: NO, absolutely not without permission from the municipal council. One cannot add or modify the exterior of a building without permission from the authorities.

Q: Can I make the windows larger?

A: NO, here again not without permission. A request would have to be submitted to the municipal council for approval.

Q: May I install an elevator/lift?

A: YES, if there is sufficient space for an elevator shaft, and permission has been granted. The cost of the elevator can be shared between all condominium members (all home owners in the building) who agree to it being installed. Those member who do not agree to participate financially in the installation of the elevator, can be denied use of it.

Q Is a condominium administrator, the same as a building manager?

A: Yes

Q: Do all buildings have a condominium administrator?

A: No, it depends on the building. Italian law states that an administrator is required when there are at least 5 or more units (condominium members) in the building.

Q: Who pays for the condominium expenses when a property is being sold?

A: The seller will be responsible till the day of the final contract, after which the new owner will take over the responsibility for the expenses.

Q: What happens if I buy a property where the members of the building have previously decided to repair the façade or roof?

A: These costs would be paid by the previous owner at the time it was decided by the condominium. This is the general rule, unless otherwise stated. It can be a negotiating point in the purchase agreement.

Q: If I purchase a house where condominium work is in progress, will the previous owner pay for this work?

A: Yes, if he/she was the owner at the time that the decision was made, unless another agreement has been made during the purchase negotiations.

Q: What happens if I purchase a house that needs renovating?

A: Depending on the type of modifications you want to make, you'll have to submit a plan to the municipal council.

Q: Can you help me if renovations are needed?

A: Yes, we know various professionals (architects, engineers, contractors) who could help you. Typically, we recommend using a general contractor who can take responsibility for all stages of the process. We highly recommend you use a general contractor who can speak your language.

Q: Will I pay taxes once I've purchased a house?

A: Yes you will have to pay municipal property tax annually. This tax is called IMU.

Q: Once I own a property do I have to file a tax return?

A: Yes, if you own a property in Italy it is necessary to file a personal tax return, and any income from the property in the form of rent must be included. If you purchased the property as a company, and depending on the type of company, the company will have to file a tax return.

Q: What expenses should I take into account once I own a property?

A: Many just like if you own a property at home. There is garbage collection tax (TIA), municipal, property taxes (calculated on the fiscal value of the house, TASI (ex IMU) and TARI), insurance, annual TV tax, and condominium expenses if applicable.

Q: Is my neighbourhood safe?

A: We are long-time Florence residents and feel the city is very safe. There seem to be no particularly BAD areas in the historical centre of the city. Generally speaking, Italy is not a violent country and the major crime concern is petty crime such as pick-pocketing or theft from parked cars.

PURCHASE PROCESS

Q: Is there a standard procedure for purchasing a house/apartment?

A: Yes, but please keep in mind, anything and everything can be part of "the deal" between the buyer and seller. An agreement can be reached not only regarding the price, but also the time of payment, time of vacating the property and what remains in regards to furnishings etc.

Q: What are the steps for purchasing a property in Italy?

A. There are three steps.

- 1) The buyer makes an offer in writing to the vendor, in which is stated: the price offered, the dates of the payments and the amounts. Also any requests that the buyer wishes to include should be added in writing. At this stage a first down payment is paid, as an initial deposit and to take the property off the market.*
- 2) After negotiations have been completed a preliminary contract is drafted.*
- 3) The final purchase contract is signed in front of a notary official and the keys to the property are consigned to the new owner.*

Q: Are prices negotiable?

A: YES, one always tries to negotiate a better price.

Q: What documents do I need to purchase a house?

A: In general, at the beginning you would need your ID (a passport or an EU identity card), a valid entry visa or a permit to stay (for non EU citizens), and an Italian fiscal code number.

Q: What is an Italian fiscal code number?

A: It is a unique code assigned to each person by the Italian State. It is used for all financial transactions such as tax returns, state health care, contracts, utility bills and also for purchasing a property.

Q: Does this code interfere with my own country's fiscal system?

A: No, it is only for use in Italy. Of course once you have one, it is valid for life.

Q: How do I get this fiscal code?

A: You need to go to the local taxation department called the Agenzia delle Entrate, and there are several in Florence, with a photo copy of your passport (the page with the photo identification), or a copy of your ID (EU identity card).

Q: Can you help me obtain my fiscal code?

A: Yes, you can sign an authorisation form, that allows us to obtain the fiscal code on your behalf.-

Q: Why does the sales contract need to be registered?

A: By law, all contracts need to be registered with the taxation office to be considered valid.

Q: How much money will I have to put down immediately?

A: Usually when making an offer one puts down a reasonable figure to show good faith. This amount varies as it depends on the price of the property, but generally the figure is between Euro 5,000 and 15,000.

Q: What happens with this down payment?

A: The money is given to the seller once he accepts your offer.

Q: What does this first down payment mean?

A: It is the glue that binds the parties together, showing that they intend to keep their agreement as expressed in the written offer. If you change your mind and decide not to purchase the property, you will lose this money; if on the other hand the seller changes his mind and decides not to sell the house, he has to return the amount given plus an equal amount as penalty.

Q: How is the down payment paid?

A: It must be paid using a traceable method, either by bank transfer or a personal cheque.

Q: Do I need an Italian bank account to issue a cheque?

A: Not necessarily at this stage. A personal cheque from any European bank in Euro is fine. Otherwise the offer will be written in such a way to allow for a wire transfer to be sent to the vendor's bank account once the agreement is accepted and signed.

Q: When should I pay the balance?

A: If you do a "preliminary contract", generally one third of the asking price is paid at that time. The balance is paid when the final contract is signed.

Q: Would the owner lease with an option to buy?

A: It depends on the owner. Generally owners want to either sell or lease, it is not common to do both, but if mutually agreed upon, why not.

Q: What is the difference between a preliminary contract and the final contract?

A: Essentially, the only difference is that at the time of the preliminary contract, actual ownership does not change. Generally a preliminary contract is signed and registered when there is a long time gap between the signed offer and the final contract. The buyer wants to give the vendor a larger amount of money to guarantee that the seller will maintain his obligation. Should the seller renege on his obligation, he will have to pay the deposit back plus the penalty fee. Also the time gap maybe because the buyer needs more time to accumulate the funds necessary for the purchase, or the vendor cannot vacate the property at the right time, for what every reason the two parties must agree to delay in signing the final contract.

Q: Do I have to do both contracts?

A: Not at all, you can avoid the preliminary contract and go directly to the final one.

Q: How long does this process take?

A: Usually these three steps take from 2 to 4 months to be completed, but if part of the agreement is to skip the middle step (preliminary contract), and go directly to the final contract, the process can be completed in approximately 1 month. However, a certain amount of time is necessary because the notary official has to have time to check all the titles related to the house.

Q: I've never heard of anything like the Italian procedure for property sales, does it work?

A: This procedure involving il notaio (the notary official) has been in use for several centuries and seems to work perfectly. These individuals are highly respected members of their community and their professional reputation depends on the accuracy of their title research. Moreover, they are responsible toward all parties involved.

Q: What is the contract signature process?

A: In Italy only a notary official (notaio) can create, officiate, and validate a contract, whether it's for buying or selling a property, or establishing a company or partnership.

Q: What is the notaio (notary official) role?

A: He/She is the person who represents the state.

Q: Do I need a notaio also to make an offer?

A: No, your real estate agent can assist you in making an offer. But you do need a notary for the preliminary contract (if that is part of the agreement), and for the final contract.

Q: Can I use a lawyer instead of a notary official?

A: No, but should you wish to have your lawyer review the papers and be present at the contract signing, that's fine. Your lawyer can advise you in personal matters such as, whose name should appear on the contract and inheritance information, but a lawyer cannot replace a notary official in order for the contract to be valid..

Q: Can you recommend any English-speaking lawyers?

A: Yes, we have worked with, and can recommend several.

Q: Who pays for the notary official?

A: The buyer has the right to choose the notary official and therefore pays.

Q. Who pays for the contract registration tax?

A: The buyer is responsible for the purchase tax.

Q: So the notary official works for the buyer?

A: In a certain sense yes, as the notary official is chosen and paid for by the buyer. However, it is the notary official's responsibility to make sure that the documents pertaining to the house are all in order for the sale, and to guarantee that the buyer is actually purchasing the property stated in the contract.

Q: Can you recommend an English-speaking notary official?

A: YES, of course

Q: Do I need to speak Italian to purchase a house?

A: NO, before signing a contract the notary official needs to make sure that you have fully understood what you are going to sign. Unless you know Italian reasonably well, you are required to have an official translator, or give power of attorney to someone who knows Italian and can sign for you.

Q: Would this affect my notary official costs?

A: Yes, as there will be more paperwork involved, and you have to pay a translator.

Q: Would an eventual mortgage affect my notary official costs?

A: Yes, as the notary official will also have to process a contract between you and the bank.

Q: Do I need to be present in Italy to purchase a property?

A: No, you can purchase a property by giving power of attorney to a third party who can be present, and speaks Italian.

Q: Can I give power of attorney to you?

A: We can arrange.

Q: How do I give power of attorney?

A: Generally it is issued by the Italian Embassy or Consulate, with all the details related to the purchase and personal data of the party to whom you are giving the power of attorney.

PURCHASE COSTS AND TAXES

Q: What costs are involved in purchasing a house?

A: As a rule, there are quite a few; Notary Official's fees, purchase taxes, and the real estate agent's commission. All these invoices will have IVA added, which is the VAT tax at the present rate of 22% (as of March 2016) with the exception of the purchase taxes.

Q: What is VAT?

A: It is the value added tax, which in Italy is called IVA (imposta valore aggiunto). This tax can vary in percentage depending on the item, but for services, for example, agency commissions, doctors' bills, electricians' bills etc. is at present 22% (as of March 2016)

Q: What is the difference between purchasing from a company or from an individual?

A: The main difference is in the amount of purchase-related tax and paperwork necessary. To purchase or sell a property owned by a company is usually more expensive because of the added value tax.

Q: What about the difference between purchasing as a company or as an individual?

A: The same as above: the main difference is in the amount of purchase-related taxes and paperwork. To purchase a property as a company is usually more expensive (due to value added tax, called IVA) plus the costs of setting up a company, if needed.

Q: What is the difference according to Italian law between a "first house" and a "second house"?

A: A "first house" is your primary home in Italy (only if purchased as an individual and not as a company) and therefore, it is registered with the local government authority as your official residency. This residency has to be for a certain period of time. A "second house" is generally a holiday home and one does not establish residency.

Q: Regarding purchase taxes, is there a difference between a "first house" and a "second house"?

A: Yes, there is a big difference. A "first house" has a lower purchase tax when both buyer and seller are individuals (and neither one is a company). The purchasing tax is 2% (as of March 2016) of the catastral value (see below), whereas for a "second house" it is 9% (as of March 2016) of the catastral value.

Q: What is the Catasto?

A: The Catasto is the Land Registration Office where is kept a "database" of all land (and what is grown on it), and buildings within the Italian borders.

Q: What is the catastral value of a house?

A: The "catastral" value of a house is the fiscal value that the Italian State assigns to a building, apartment and land. This value has nothing to do with the commercial value or selling price.

Q: Does this catastral value change between apartments and buildings?

A: Yes, the "catasto" classifies each and every property and land according to their use, for example, garages, car parks, hospitals, supermarkets, farms, farm houses, hotels, apartments, etc. Each is classified, coded, and valued differently.

Q. Can you give me an idea as to how much this catastral value would be on a normal size apartment?

A: Yes approx. Euro 1,000.00 is the catastral value on an average size apartment (approx. 100 sq. mts.- 1,000 sq. ft.)

Q. How would I calculate my purchase taxes?

A: You would add 5% (as of March 2016) to the catastral value of the property and multiply that addition by 110 for a first house or 120 for a second house (as of this writing March 2016). Using this calculation you will then pay 2% (as of March 2016) for the "first house" or 9% (as of March 2016) for the "second house".

Q: So, it seems it is much better to purchase a property as a “first house”?

A: As far as the purchase taxes are concerned, yes, but it also means that you will have to take residency in the house within 18 months from the date of the purchase. In the event you choose to sell your house, please refer to the selling section.

Q: Can a company purchase a house as a “first house”?

A: No, the first house option is only available for individuals.

Q: Can any house can be purchased as a “first house”?

A: No. A house classified as a luxury house or apartment, cannot benefit from the advantages of a “first house” according to Italian law.

Q: How do I know if a house is considered luxury?

*A: There are several “tabelle” or charts that give the characteristics of a luxury house. Some examples of these characteristics are: a swimming pool larger than 80 sq. mts. (800 sq. ft.), tennis court, a large garden, or if the house is larger than 240 sq. mts (2,400 sq. ft), etc.
(Law DM 2 August 1969).*

Q: Can I purchase two (or more) separate properties and still take advantage of the benefits of a “first house”?

A: Yes, if the properties will be joined and used as a single residence, and as long as the combination of the properties does exceed the measurements of a luxury house.

Q: If the apartment I purchase falls under protection of the Fine Arts Council (Belle Arti), will the notary official’s expenses be any different?

A: Yes, if the property is subject to law no. 1089 of 1 June 1939, the notary official must prepare a special document that declares that the Italian state has relinquished its prerogative to buy it. The State has the privilege of first option on any property that has a historic value.

Q: Other than the extra notary expense, are there differences when buying an historically protected property?

A: Yes, there are differences in fiscal terms (see below) and also the purchase process takes longer. The state has 60 days to relinquish its prerogative of first option to buy it.

Q: What do “pre-emption” and “suspension of purchase” mean?

A: Pre-emption means the State has a right to purchase a property which is protected by the Fine Arts Council at the same price as offered by the buyer. The State has 60 days to decide if it wishes to do so or not. Therefore, when the purchase contract is drawn up for such a property, it is necessary for the State’s refusal (pre-emption) to be documented.

Q: Are there difference in the taxes when buying a Fine Arts historically protected house?

A: Yes, if the house is protected (by law no. 1089 of 1 June 1939), there are advantages inasmuch as the purchase tax is lower if it is purchased as a “second house” (6 % instead of 10% of the fiscal value of the house).

Q: Is there a difference if the property has land and crops?

A: Depending on the house and the applicable purchase tax level (2% or 9%), these are subject to a fixed tax (9%) based on the declared price of the land and this would be added to the purchase tax of the house.

Q: If I purchase as an individual and not as a company what are the differences in the procedure ?

A: When an individual buys from another individual the purchase tax is based on the valuation that the Land Registration Office (catasto) has estimated. Instead, when buying from a company, there is the added value tax (IVA) to be calculated on the purchase price. This is usually a higher figure than the

valuation made by the Land Registration Office for the property.

Q: Generally speaking, is it better to purchase (and then eventually sell) as an individual or as a company?

A: In Italy, tax-wise it is much better to purchase as an individual (see purchase taxes, selling costs and taxes), but it can also depend on one's personal situation, and the taxation laws of the individual's country (if a foreigner). As a company one maybe able to save money in the home country.

Q: Who could advise me as to which is the best choice in my personal case?

A: Probably you would need the advice of an accountant both in Italy and the home country. We can recommend local English-speaking accountants.

Q: Can I deduct the purchase expenses from my personal tax return?

A: In Italy if you are an individual, generally no. A new law states that you can partially deduct the real estate agency commission from your personal income tax return, but not the notary fee nor purchase tax. If you are a company generally, you can deduct all the above.(as of March 2016)

P&F

FINANCE

Q: When purchasing a property do I need to transfer the money to Italy or can I pay the seller directly from my foreign account?

A: At the time of the final contract, payment to the owner has to be traceable, therefore it is generally done by Italian bank cheque made in the name of the seller. So, you would need an Italian bank account to be able to do this. Or it would need to be a bank cheque of an European bank.

Q: So I need to open an Italian bank account?

A: Yes we recommend this. Also once you are an “owner” an Italian bank account is most helpful for all future expenses and running costs of your house.

Q: Can I use a European bank?

A: Generally speaking yes, but there could be some difficulties with the transactions, as the seller usually prefers Italian cheques. For the everyday running of the house, it is definitely easier and cheaper to work with an Italian account.

Q: Is it difficult to open a bank account?

A: It is not difficult to open a bank account, but it can be a time-consuming, although Italian banks are getting better.

Q: What documents do I need to open an Italian bank account ?

A: You need a valid ID (passport or European ID card), a valid entry visa or “permesso di soggiorno” and your Italian fiscal code, plus some cash to deposit in the account.

Q: Will I get a credit card or cheque book?

A: You may have both upon request.

Q: Will I be able to check my account via Internet?

A: Many banks offer this service, but it might not be available to non-residents.

Q: Can you help us with banking?

A: YES we can help you open a bank account. We highly recommend that you open an account at a branch that is conveniently located to your property.

Q: Can I get my money out of the country if I wish to sell the apartment?

A: YES, it is easy to export funds through a bank.

Q. Can I get a mortgage?

A: Generally yes, it depends on your citizenship and your economic situation.

Q: What percentage of the purchase price does a bank usually give as a mortgage?

A: For non Italians and/or non residents, usually banks are willing give between 50% and 60% of the property value.

Q: What sort of loan period is typical for a mortgage?

A: As long as 20 or 30 years, this would depend on your age.

Q: Is it easy to get a mortgage in Italy?

A: Currently it is more difficult due to the economic crisis and credit crunch, but generally speaking it is possible, however it takes a little longer to negotiate.

Q: Can you help me in getting a mortgage?

A: YES. We can provide you with bank contacts and also with mortgage brokers.

Q: What expenses and interest rates could I expect for a mortgage?

A: The expenses and interest rates change from bank to bank, and it depends on the amount of the mortgage and your economic situation.

Q: Can you give us an idea of the interest rates?

A: As of this writing (March 2016), one can expect a variable-interest mortgage to be approx. 2.5% and a fixed-rate mortgage to be approx. 4%.

Q: When would the funds from the mortgage be available?

A: At the time of the final contract. Therefore, it is necessary to have sufficient funds available for the initial down payment or payments.

Q: Would I need to transfer to Italy at least the first payments? How would this work?

A: Firstly, you would need to open an Italian bank account. Once the account is set up, you could do a wire transfer from your home bank account into the new Italian account. Please remember it is not necessary to have an Italian bank account open when making an initial offer on a property (see purchase process).

Q: Will this wire be affected by the currency exchange rate?

A: YES, unless your home account is in Euro. You can, however, use a currency broker who deals specifically with currency transactions.

Q: Could you suggest a currency broker?

A: Yes, we have several names of reliable brokers on our books.

Q: Would a seller give a purchaser a loan, like seller financing or owner financing?

A: Usually no. This can happen if the seller already has an outstanding mortgage on the house that you are purchasing. If this is the case, you can ask the owner if it is possible to take over the existing mortgage.

Q: Is it possible to pay the purchase price of the house in instalments?

A: Yes, but again this is all part of the deal you can negotiate with the seller. It will depend if the vendor would be willing to accept payments being made in instalments.

Q: Can I deduct my mortgage expenses from my taxes?

A: In Italy you can deduct a fixed amount of the interest you are paying on the mortgage from your tax return. These deductions can vary depending if it is an individual or a company tax return.

SELLING

Q: What is the process involved in selling my house?

A: Firstly a valuation of the property is needed in order to have a reasonable idea about the market value. Secondly, select preferably one reputable licensed real estate agency to represent your property.

Q: Who can value my property?

A: A real estate company like us.

Q: Once the agency finds a suitable buyer, what happens next?

A: The potential buyer, through the agency, will submit a written purchase offer in which all the details of the sale will be outlined, together with a deposit cheque to show good faith.

Q: If I find the purchase offer acceptable, what do I do?

A: You sign it as acceptance, and receive the deposit cheque to cash.

Q: Do I need to be present to accept the offer?

A: No, the agency can work via fax or registered post.

Q: What if I don't feel the offer is acceptable?

A: DO NOT sign the offer and tell the agent that you do not accept it in its present form.

Q: What if I change my mind once I have signed and accepted the initial purchase offer?

A: You will be obliged to give back to the buyer his deposit plus a penalty of the same amount.

Q: Will I still have to pay the agency commission?

A: Yes, the offer was made and accepted, which means the agency did its job.

Q: What will you, as the agent, do for me if I decide to sell my property?

A: It will be our job to find the appropriate purchaser for your property, and follow the transaction from the beginning to its completion (final contract and exchanging of keys).

Q: If I want to sell my house, is there a reason why I would choose only one real estate company rather than asking several agencies to represent it?

A: We of PITCHER & FLACCOMIO highly recommend using one agency. It can make your sale a lot easier for you. A good agent will network with other real estate agencies, look after your interests and protect you and your property. If you give one agency the "exclusivity", this will enable that agency to invest, advertise and represent your property more vigorously. Also one agency can co-ordinate all the house visits, rather than you doing it yourself with numerous agents.

Q: What documents would I need to sell my house?

A: Generally one needs the previous purchase contract, a document prepared by an architect or junior architect/surveyor (geometra) stating that the property conforms to the urban and Land Registry Office data base. This document will state that the property is sellable. Also, according to a new law, one needs an energy efficiency classification certificate for the house.

Q: What does it mean "Energy Rating" of an apartment?

A: It means that following an European law each apartment or house needs to be classified according to its energy consumption. For example: an A rating would be given to a new building that has been constructed with all the best materials and has opted for every energy saving devices. Instead an old building with old windows, old roof etc. will have a G energy rating (this is the lowest rating). As almost 99% of all buildings in Italy are old, the most common rating is G

Q: Can you help me get this certificate?

A: Yes, we have technicians who can do this. They will need to inspect the property to take measurements of the windows etc., and you will have to supply some documentation of the house.

Q: How long is the validity of this certificate?

A: For 10 years, or until you do major refurbishment works in the house, that would change its energy consumption rating (IE: changing the window).

Q: What if I have added some extra space to the original layout of the house?

A: You will have to ask the municipal council to approve the new plan before the final sale contract can be signed. If not approved you would have to eliminate the extra space.

Q: What if I have made some internal changes in the house?

A: If these changes are “reasonable”, you can ask an architect or “geometra” to submit a new floor plan to the Land Registry Office (catasto). Of course, this will depend on the type of changes that have been made.

Q: Do I need to keep in mind any other expenses?

A: Yes, there is a capital gains tax on the sale and finally the real estate agent’s commission.

Q: What kind of taxes could I expect?

A: This depends on how long ago you purchased the house, and if it was purchased as a “first house” or a “second house”.

Q: When it comes to the sale, is there a difference between selling what can be classified as a “first house” and a “second house”?

A: Yes, there is a difference. With the sale of a “first house”, there are no capital gains involved, but the vendor must purchase another property (in Italy) within 12 months of the selling date. This applies if the purchase of the property is within the previous 5 years. With the “second house”, there are capital gains to pay (20%). However, if either the “first house” or the “second house” is sold after 5 years of purchase date, there are no capital gains involved in either case.

Q: What happens if I sell my first house less than 5 years after I purchased it and I haven’t bought a new house?

A: The state will ask you to give the difference between the purchase tax (when you bought it as a “first house” (3%, if purchased before 2014, or 2% if after 2014) and the normal tax of a “second house” (10% if you purchased before 2014 or 9% if you have purchased it after 2014), in other words approx. 7% would be required plus there would be a fine.

Q: Is there a difference between selling as an individual or a company?

A: Yes, as an individual you MAY have capital gains tax (selling before 5 years), this would depend on when the property was bought and sold. A company will always have capital gains if the value declared at the time of selling is above the value of purchase.

Q: If the buyer wants a mortgage, will this make a difference in selling my house?

A: The only difference will be in the timing. Generally, the seller receives the money from the mortgage company approximately 20 days after the final contract has been completed. This is banking procedure.

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