

OUR GUIDES

SELLING AND PURCHASING A **HOUSE**



PURCHASER'S GUIDE





The estate market offers various choices of properties for sale in Tuscany, so the real challenge is to find the one who meets your needs. Before searching a property, which requires time and energy, is important to define which kind of property really reflects your needs. A home is not simply a building with rooms, it is the perfect place to relax and spend some quality time with your loved ones: having clear ideas about your needs allows you to save time and be satisfied. What affects the location?

- LOCATION
- BOOKING A VIEWING OF THE PROPERTY
- EXPERTS
- THE PURCHASE PROCEDURE
- COSTS
- PURCHASE TAXES IN ITALY
- TAX BENEFIT IN ITALY

Determine what you really need in a property

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What factors influence the choice of location?

Distance from the sea, old town centre or well-known place and main services

- View
- Distance from main facilities such as restaurants, banks, international airport.
- Public transport
- Surface area (sqm)
- Furnishings
- Interior and exterior finishes
- Number of bedrooms and bathrooms
- Balconies / terrace / garden
- Private or shared swimming pool
- Condition, state of repair

Booking a viewing of the property

Give yourself enough time to view as many properties as possible allowing you to make an informed decision.

Experts

REAL ESTATE AGENT

A qualified, accredited real estate agent must be fully licensed by the Chamber of Commerce. Here at Toscana One we support you throughout the entire negotiation process and take care of:

- Property finding
- Negotiating the price
- Drawing up the preliminary agreement
- Finding a surveyor or architect
- Drawing up the final deed of sale

THE SURVEYOR (GEOMETRA) OR ARCHITECT

When choosing a property, it is important to be able to count on a Surveyor or Architect. All the technical aspects of the property must be evaluated by a competent professional able to verify the structural specifications of such building at the Land Registry Office.

THE NOTARY

It is a fundamental figure for the final deed of sale being a public and impartial official authorized by the Italian State to draw up the deeds of purchase and sale of property. The notary adheres to very strict rules laid down by the Notary's Society code of ethics and act in full compliance with Italian law. Deeds must comply with the will of the owners and buyers and must not have encumbrances such as mortgages or third-party obligations. The Italian State relies on the notary for the collection of taxes and stamps necessary for the proper conclusion of the negotiation.

The appointment of a Notary is a mandatory requirement for the purchase of a property in Italy.

The notary's fees are to be borne by the buyer who chooses the professional to whom to rely.

Buying a house in Italy: the purchase procedure

So let's look at the practicalities involved in the procedure to purchase a property.

A) THE OFFER TO PURCHASE

When you decide to buy a house in Italy, once you have chosen the property from the many houses for sale, you have to submit an "offer to purchase". The offer to purchase is an irrevocable offer containing the main terms of the transaction between seller and purchaser. We specifically refer to the following:

- Names and surnames of the parties
- Date and place of birth
- Description of the property
- Land Registry details
- Agreed price
- Payment terms
- Amount of deposit etc.

The purchase offer must be made in writing.

The seller may accept or decline the offer as appropriate.

B) DRAFTING THE PRELIMINARY AGREEMENT OF SALE (COMPROMESSO)

Once the offer to purchase has been accepted, the next step is the preliminary agreement of sale.

This is a preliminary purchase agreement with which the purchaser formally undertakes to purchase the property. In fact, the agreement usually provides for the payment of a deposit as confirmation. In most cases this varies between 10% and 30% of the purchase price of the property. The preliminary agreement must be made in writing and contain all the conditions specified by the parties in the offer purchase. In it, the parties substantially agree to transfer title to the property by a certain date. In some cases the conclusion of the preliminary contract can be avoided by directly concluding the deed.

C) DRAFTING THE TITLE DEED (ROGITO)

Completion is by means of the Deed of Sale (rogito notarile). The deed is drawn up by a notary who after having read it and invited the parties to sign it, will register the title transfer as required. As a public official, the notary is required to transfer the information regarding the sale to the relevant State authorities and the Land Registry for registration. The Deed of Sale in Italian must be accompanied by a certified translation of the original into the buyer's native language by an official translator (who can also be an Italian notary who speaks the foreign language). The latter does not apply where foreign purchasers have stated that they are fluent in the Italian language.

Purchasing properties: costs

CODICE FISCALE (TAX CODE)

To purchase a property in Italy you have to request the "CODICE FISCALE" (Tax Code) through the Revenue Agency (Called INPS). Getting the Codice Fiscale is a service that we offer to our clients and it's included in our fee. With the Codice Fiscale is possible to purchase the property and also pay the taxes for it.

STAMP DUTY

In application of the principle of alternativity between VAT and stamp duty, for the conveyance of real estate for residential use, carried out by private persons (without VAT number), the stamp duty, as well as mortgage and cadastral taxes, apply to the following extent:

FIXED (€200 EACH) in case of conveyance subject to VAT.

PROPORTIONAL of 9% in case of conveyance exempt from VAT, or proportional of 2% if you can take advantage of the first home tax relief.

VAT RATES

For the determination of the VAT rate to be paid, it should be noted that the conveyance of housing (that not have the characteristics of luxury housing) carried out by manufacturing companies are subject to VAT with the application of the rate of 4% if first home and 10% if second home.

ADDITIONAL COSTS

Notary is about: € 2,800.00

Translation assistance: € 1,000.00

Brokerage fee (Real Estate Agency Fee):

- 3% + VAT for real estates over € 1,000,000
- 4% + VAT for real estates from € 200,000 up to € 1,000,000
- 5% + VAT for real estates under € 200,000
- €5,000 + VAT for real estates from €71,000 up to € 100,000
- €4,000 + VAT for real estates from €41,000 up to € 70,000
- €3,000 + VAT for real estates from €21,000 up to € 40,000
- €2,000 + VAT for real estates from 0 up to € 20,000

INDIRECT PROPERTY PURCHASE TAXES IN ITALY

Non-Italians buying a home in Italy should be aware that in addition to the indirect taxes levied on the purchase, they are also liable for property taxes. These are taxes due for the sole fact of having real rights to the property. Art No. 147/2013 merged all indirect property taxes into a single municipal tax (IUC) which includes two taxes known as IMU and TARI.

IMU is the municipal tax payable by those who own a property with the exception of non-luxury main homes for which it is not due.

TARI is the garbage collection and disposal tax payable by those occupying the property, whether as owners or paying/non-paying tenants.

The deadline for the submission of UIC declaration is June 30th of the year following the date of commencement of possession/detentions of the property. For the management of these aspects you will need the help of an experienced accountant.

On average the cost of this tax varies between 0.50% and 0.70% of the actual value at the moment of the deed.

CONDITIONS FOR TAKING ADVANTAGE OF THE “PRINCIPAL HOME” TAX BENEFIT IN ITALY

In order to take advantage from the tax benefit for the purchase of a principal residence in Italy, the property concerned must:

- Be located in the Municipality where the purchaser intends to establish residency within 18 months of purchase.

The benefit also applies to the appurtenances of the main house, but is limited to one of each of the cadastral categories C/2 (cellars or attics), C6 (garage or C7 (carport or parking space). In addition to the characteristics of the property, in order to take advantage of the benefit, the purchaser:

- Shall, if not already a resident, undertake to establish residency in the Municipality where the property is located within 18 months of purchase.
- Cannot be the owner (either exclusively or jointly with their spouse) of any right to property, usufruct, use or live in another dwelling house located in same Municipality as the property to be purchased.

Both foreign citizens and Italians living abroad may take advantage of the principal residence tax benefit. It should be noted that taxpayers who do not have Italian citizenship may buy with the principal residence benefit if the requisite conditions are met.

