

UIA 59th Congress

Valencia / Spain October 28 – November 1, 2015

REAL ESTATE LAW COMMISSION

Saturday, October 31, 2015

Acquisition of Property, Portfolio and Infrastructure

■ **PURCHASING PROPERTY IN ITALY**

Carlo H. Mastellone

SLM - Studio Legale Mastellone (Leg-All® Firenze)

Via Gustavo Modena 23

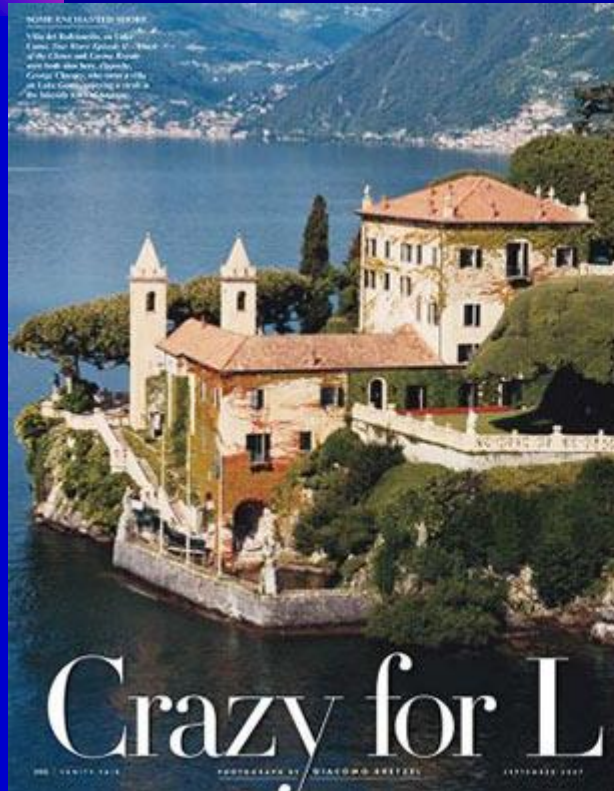
50121 Florence (Italy)

Tel +39 055 4620040

Fax +39 055 475854

e-mail: *c.mastellone@studiomastellone.it*

Italian dreams



Italian dreams





Dreams...

- How to ensure that your client's dream does not turn into a nightmare



FDIs in real estate

- Satisfying the «condition of reciprocity»
- Equal rights status (*parificazione*) granted to: EU & EES nationals, domiciled non-EUs holding residence card or permit for work, family, humanitarian or study reasons
- Resident stateless & refugees
- BITs



purchase taxes

<u>Seller status</u>	<u>Private individual</u>	<u>Builder</u>
transfer tax (<i>imposta di registro</i>)	9%*	VAT 10 %
“first home” tax reduction (<i>prima casa</i>)		VAT 4%
transfer tax (<i>imposta di registro</i>)	2%	Euro 200
mortgage tax (<i>imposta ipotecaria</i>)	Euro 50	Euro 200
cadastral tax (<i>imposta catastale</i>)	Euro 50	Euro 200

*levied on the “cadastral value” (*valore catastale – prezzo-valore*)



ongoing taxes

- During the course of ownership and upon resale the following taxes will apply:
 - IMU
 - Capital Gains Tax
 - Inheritance Tax
 - Tax on rental income



recording real property purchases

- “transcription” in the real property registries (*trascrizione nei Registri Immobiliari*)
- continuity of transcriptions
- *voltura catastale*



purchasing from a builder

- Special protections for consumers:
- bank or insurance company guarantee
- insurance policy holding the purchaser harmless for at least 10 years against damages
- clean title cancellation of the loan and of the mortgage



Usual purchase process

- Due diligence and survey
- Purchase offer
- Preliminary contract (PC)- fully binding and enforceable legal contract committing the parties to complete the transaction; “transcription” of the PC
- The Final deed (FD) (*rogito*); “transcription” of the FD

Civil code standard warranties



- warranties for defects (*vizi*): the property sold is immune from defects that render it unsuitable for its intended use or diminish its value in an appreciable manner
- absence of rights of third parties (*garanzia per evizione*) refers to the legal condition of the property and not to its material condition:



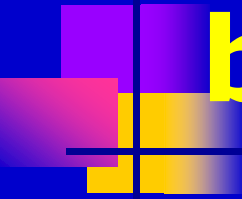
void warranty exclusions

- any agreement excluding or limiting in advance the responsibility of the debtor for wilfull misconduct or gross negligence is radically null and void (art. 1229 civil code)
- when the *evizione* is dependent on the fact of the vendor himself, every clause to the contrary is considered null and void

other warranties and representations



- the “cadastral” data and official maps (*planimetrie*) are in conformity (*regolarità catastale*)
- condition required for the legal “tradeability” (*commerciabilità*): compliance with general planning rules (*regolarità urbanistica*) and with permits and licenses (*regolarità edilizia*)



buyers should insist on

- “certificate of fitness for use” (*certificato di agibilità*) – health, hygiene, safety, energy saving, does not affect legal, but “economic” tradeability
- “declaration of conformity” of the heating, electrical etc. systems installed (*dichiarazione di conformità degli impianti*) post March 2008