

Real estate contracts in Italy are generally subject to Italian law. Once you have found your "dream property", the purchase process takes place in three steps:

1) The offer to purchase or "impegnativa d'acquisto".

As soon as the price and all other points of the purchase have been negotiated between the potential buyer and seller, a written purchase agreement is signed. This written offer (impegnativa d'acquisto) is usually forwarded by the broker to the seller, together with an advance payment of approximately 2% of the purchase price. This down payment confirms that the interested party has the intention to purchase the property and prevents the seller from conducting further negotiations with a second party. By signing this document, both parties undertake to sign a preliminary or purchase agreement ("contratto preliminare or compromesso").

2) Buyer and seller conclude a so-called contratto preliminare or compromesso (preliminary contract).

This is a privately written, notarial document that contains important contractual conditions such as purchase price, size of the property, location, terms of payment, etc. The contract is concluded by the buyer and the seller in a so-called Contratto Preliminare or Compromesso. When signing the preliminary contract, you usually pay 20% - 30% of the purchase price in the form of a bank-confirmed cheque or bank transfer. The seller guarantees in the preliminary contract that the property is free of financial and legal liabilities. The preliminary contract is a private contract, whereby we always recommend to call in a notary. The notary checks that the property is not encumbered with any loans, liens, etc. and also that it is actually the property for sale. The property is also checked for all necessary permits for the building. The down payment from the Compromesso is to be evaluated as security for the observance of the contract of both parties. Should you refrain from your intention to purchase, the seller has the right to retain your deposit as a contractual penalty. If the seller wishes to withdraw from his intention to sell, he must reimburse the buyer the same amount in addition to the deposit. As of 1 January 2007, every preliminary contract must be registered with the tax office within 20 days. The costs for this shall be borne by the buyer. The broker has fulfilled his task as soon as the preliminary contract has been signed.

3) Notary contract

Within 1-3 months after signing the preliminary contract, the final contract between the buyer and the seller is signed. A notary will be consulted for this purpose. When the final contract is signed, the property is officially transferred to the buyer and the remaining purchase price is paid. The notary fees are paid, the land transfer tax and the registration fee. This contract is deposited with the residents' registration office. As the purchaser, you should of course be aware of the costs associated with the purchase. When the notarial contract is concluded, the entire purchase sum - minus the advance payment already made - is due immediately. With the signing of the contract by both contracting parties and payment, the immediate acquisition of ownership takes place. In addition to the purchase price, which you as the buyer

have to pay to the seller, the following "additional costs" are incurred: Notary costs approx. 1 - 2.5% of the purchase price Costs for the sworn translator (if necessary - approx. Euro 600 - 800) Land transfer tax on buildings (purchase as second residence): 10% of the cadastral value \*

Land transfer tax on buildings (purchase as primary residence): 3 % of the cadastral value \* Land transfer tax on agricultural land: 18 % of the purchase price Costs of the surveyor for checking the building situation: approx. Euro 1000 - 1,300 commission of the real estate agent in Italy (already at the conclusion of the preliminary contract) 3 % plus statutory 22 % statutory VAT. The cadastral value is calculated from the cadastral yield. You can take this from the cadastral excerpt. The cadastral value of a real estate is usually clearly lower than the market value. Your real estate agent will send you a cost statement of the ancillary purchase costs before you make your purchase. The above information is not legal information. No liability can be assumed for the correctness of this information.