

A Guide to Purchasing Italian Property



Written by Fabrizio Fiorino
in collaboration with Shanae Munro
Porta Lawyers ©

www.portalawyers.com.au

(07)3265 3888

fabrizio@portalawyers.com.au

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When you find a property that you may want to purchase in Italy, ensure that you carefully consider the legal ramifications that are associated with purchasing property in the country.

An understanding of the legal process is the key to a problem free purchase, regardless of whether you buy through a real estate agent or directly from the seller.

The services provided by a legal solicitor with experience in Italian property will guarantee that throughout the process, your best interest is protected.

Property purchases in Italy are completed through 3 key stages:

- 1) *Proposta irrevocabile d'acquisto* (Reservation Offer);
- 2) *Contratto preliminare di vendita* (Preliminary Contract); and
- 3) *Atto di vendita* (Deed of Sale).

*Porta Lawyers will provide all of the required services through our Brisbane based Italian Registered Lawyer, **Fabrizio Fiorino**. There is no need for you to engage further services in Italy.*

1. *Proposta Irrevocabile d'Acquisto* (Reservation Offer) // (Optional)

The “*Proposta irrevocabile d'acquisto*” is an optional preliminary step and consists of a document that you will sign at the beginning of property purchases in particular, when purchasing through a real estate agent. Generally, the reservation offer is not used when the property purchase is through a private vendor. The reservation offer is only deemed binding once the document has been signed by both the buyer and seller.

The reservation offer, when signed, means that the seller agrees to remove the property from the market, typically for 15 days, to give the buyer exclusive rights to the property during that time frame to conduct due diligence enquiries.

This period of time allows your solicitor/surveyor to conduct due diligence that may avoid any unsolicited surprises towards the end of the purchase. This can include searches for:

- Debt affiliated with the property;
- Mortgages;
- Claims;
- Caveats; and
- Other claims on the property.

A small deposit is required at this stage which will be held until the offer is formally approved or declined by the seller. If the seller decides to sell their property to you, the deposit will be deducted from the total cost. If the sale offer is declined, the deposit will be reimbursed to the buyer.

2. Contratto Preliminare di Vendita (Preliminary Contract)

To formalize the agreement, a “*Contratto Preliminare di Vendita*” (Preliminary Contract) will be created to continue the conveyance of property.

The “*Contratto Preliminare di Vendita*” defines the detailed terms and conditions affiliated with the property purchase/sale in Italy.

It is in the buyer’s best interest to seek the services of a solicitor to draft the preliminary contract to ensure that all relevant searches are conducted. If the contract has already been drawn up by the vendor, it is vital that you have your solicitor peruse the document as they will be able to provide you with legal advice on the contents of the contract and its legal effects.

In the preliminary contract, a date for finalisation of the conveyance will be specified (no more than one year).

“*Caparra confirmatoria*” (confirmation deposit), commonly equivalent to 10% of the purchase price, is legally required during the preliminary contract period. If the seller illegally cancels the sale, the buyer is entitled to receive the deposit returned in full. The buyer has the right to then file a claim in court for double the amount of the deposit. If the buyer withdraws from the commitment without any legal reasoning, they are not entitled to a refund of the deposit.

3. Atto di Vendita (Deed of Sale)

Stage three of purchasing property in Italy can only be completed confidently if the services of a solicitor or likewise have eliminated the chance of preventable revelations.

The Public Notary is required to draft the Deed of Sale where it is compulsory for it to be fully compliant with all the details and crucial elements prescribed in the Preliminary Contract. Bear in mind that Public Notaries act on a neutral level for the conveyance process where they should not be used as a substitute solicitor for either buyer or seller in the best interest of both parties.

Italian law requires the Deed of Sale to be transcribed in Italian. Where required, it is to be translated (by an authorised translator) to other languages for parties involved that do not understand the Italian language.

It is common practice that the Notary sends the Deed of Sale (in draft) to the buyer and seller (or their solicitor) to peruse its content in advance.

The Notary Public will typically read and explain the Deed of Sale (in Italian) to the sellers and buyers (or their legal representatives) prior to the signing of the deed, typically completed at the Public Notary's office. If the buyer or seller cannot be present for the signing, they can give power of attorney to their solicitor or agent to attend the meeting with the Notary and sign on their behalf.

Once the Deed of Sale is legally signed by all parties involved, the balance of the purchase is to be paid to the seller and the keys are handed to the buyer.

It generally takes one month after the Deed of Sale has been signed for the new ownership to be registered with the relevant Land Registry Office. A copy of the title deeds will be given to the new owners once they are successfully registered. If the owners are unable to collect the Title Deeds, their solicitor or agent can collect the Deed on their behalf where they will either send them to you or hold them for you at your discretion.

***Disclaimer:** Statements made in this guide are intended for generic practical and introductory explanation purposes only. Statements do not constitute formal legal advice. Porta Lawyers accept neither liability nor responsibility for any statement contained herein.*