

PURCHASING REAL ESTATE IN ABRUZZO

How to buy a house for sale in Abruzzo

Important notice

These guidelines are only to make you aware of what's behind a property purchase in Abruzzo. It is understood that the service offered by Abruzzo Houses includes all of the below procedures.

The following **guidelines** come from our own experience and are **ONLY guidelines**, not legal advice. We are not lawyers and are happy to refer legal questions to appropriate legal counsel or notaries in Abruzzo. All information is believed to be accurate, and we strive to correct errors and keep our information up-to-date. Please [notify us](#) if you believe any information to be incorrect or out-of-date. However, we disclaim liability for any errors or omissions, and we will not be held responsible for any direct, indirect, or consequential damages resulting from anyone's reliance on or use of this information. *Another NOTE : PLEASE do not be 'scared' by the following complete list of 'to do's': in reality, buying a property in Abruzzo is not that complicated and is relatively swift.*

A foreign citizen who wishes to purchase property in Abruzzo must first of all obtain a tax identification number (Codice Fiscale) which can be requested at any government financial office or at an Italian Consulate or Embassy. This request should be submitted on the relevant forms along with a photocopy of one's national passport.

A tax identification number is essential for:

- Signing the preliminary purchase agreement (proposta di acquisto);
- Requesting bank financing;
- Opening bank accounts;
- Concluding the final purchase agreement with notary;
- Purchasing a car;
- Arranging public utilities contracts (gas, water, electricity, telephone);
- Presenting declarations as needed to public offices, whether communal, regional or state.

Once you obtain the Codice Fiscale, it is convenient to immediately open an Italian Bank Account that will facilitate payment of the property upon final deed and to pay all future utility bills (direct debit procedure) as well as for your personal needs (ATM card, internet access, etc..). Part of our responsibilities is to of course assist you in handling Codice Fiscale and Bank Account requirements.

Purchasing an existing building or land for building

In order to purchase property in Abruzzo, the first step is to sign a preliminary agreement (*proposta di acquisto*) which is subsequently followed by a public sales act drawn up by a notary.

The preliminary sales agreement is a private agreement between the buyer and seller (which can be done without the help of a notary), to which the "promising" buyer and the "promising" seller

(indicated as the "parties" to the contract) subscribe. This preliminary agreement will contain the following:

- Identification of the parties (full names, place and date of birth, passport number, nationality, tax identification number - in the case of companies which are selling, they must provide their value-added tax number, and their legal registration number);
- Indication of the location of the property in question (comune and province);
- Identification in the national register of lands (*NCT*) or urban areas (*NCEU*) - this identification is achieved by citing the register sheet, the units of property or parts thereof. In the case of segments of property, the seller must undertake to obtain at his expense, their identification (*frazionamento*) in the national register. Such action must take place before the final sales agreement with the notary;
- In the case of land and/or for portions of buildings, the agreement must be accompanied by a map from the register, which will be signed by both parties;
- Verification of the seller's title to the property;
- Verification of whether any limitations exist to the title, for example judiciary or bank obligations, inheritance or property rights, rights to first choice of purchase, or any other limitations that reduce or in some way curtail the right to full title of the property. The seller must commit him/herself to eliminating such limitations prior to, or simultaneously with, the final sales act.
- Identification of all servitudes that might weigh on the property (roads, trails, pipelines etc that transit through the property to be purchased) and those from which the property should benefit (access to water from nearby natural sources or wells, rights of passage, and rights to access to pipelines etc);
- Building licenses issued after 1967;
- Building licenses in the process of being issued: in the case of purchase of a building to be constructed, agreement to purchase and total payment must be conditional on the issuance of the required license;
- The sales price, indicating the amounts paid at signature (or at various successive moments) and the balance to be paid at the time of the final sales act. The initial payment (*anticipo*) should be identified as the down payment (*caparra confirmatoria*). In case that the seller decides that he/she no longer wishes to sell, he/she will compensate the damaged buying party with a sum equal to twice the initial down payment;
- The date established for the final sales act. This must be at least 60 days after the private sales agreement.

Notes

1. Both the purchaser and the seller can delegate someone to act on their behalf at the time of the preliminary purchase agreement or for the final sales act, or in both instances. In this case, a special proxy will be needed signed either in the presence of a notary (in Abruzzo) or at an Italian Consulate or Embassy (the required form requesting all necessary information will be furnished on request).
2. In case the buyer is unable to read Italian, the final purchase deed will have to be in your language (this is standard procedure for us), or alternatively a trusted person can be given a proxy to act on behalf of the buyer.
3. Payment must be made in the place and currency requested by the seller.

4. In order to simplify payments, it is recommended that the purchaser open a bank account in Abruzzo. For this, the buyer using the text of a proxy agreed previously by the financial institution, can delegate a trusted person. In addition, and if needed and provided for in the proxy, the delegated person may also be authorized to withdraw from the account for necessary payments.
5. If a purchaser wishes to obtain a mortgage, either for the purchase or for possible renovation expenses, but he/she is unable to read Italian, then he/she will need to delegate a trusted person, the text of the proxy must be provided by the Italian banking institution.
6. At the time of the preliminary purchase agreement, the buyer must pay the commission to the agent and/or intermediary.
7. At the time of the final sales act, the buyer will have to pay:
 - Purchase tax of approximately 11% for buildings and lands suited for building (these percentages will be calculated on the values specified in the final sales agreement). In case a building is purchased as "First Home" the tax is reduced to 3%, and in addition the property will be exempt from the annual property tax (*IRPEF*). The foreign national will need to establish residence in Abruzzo for this purpose.
 - Agricultural land pays a 17% tax but in case the agricultural land is purchased by a farmer and it is used for farming the tax is reduced to 3% (these percentages will be calculated on the values specified in the final sales agreement)
 - **NOTE that the above taxes are applied on the value registered at the 'catasto' which is the government assessed value for tax purposes and is normally quite lower than the purchase value of the house.**
 - The notary's honorarium
 - The registration tax, inscription of the act, and government stamps.
 - The costs of title verification undertaken by the notary.
 - The purchase of property defined "of particular historic interest" benefits from some tax reductions. Purchase taxes are reduced to 3%.
 - If you are paying income taxes in Italy (and therefore probably resident in Italy), restored buildings benefit from 10 years of exemption of the tax on the income from property (*IRPEF or imposta sul reddito degli immobili*).

Additional information

1. Within 48 hours of the public sales act, the house / real estate seller must present in the relevant comune or in any police office, a declaration of transfer of the property (anti-mafia provisions) indicating complete information about the buyer.
2. All of the pre-existing utility services (water, light, gas, telephone) must be transferred from the seller to the buyer. Please note that entering into new contracts is particularly costly, and therefore the transfer of existing contracts is recommended. For this purpose it is important to obtain copies of the previous bills paid by the seller. The purchaser, or whoever is entrusted with the task, should go to the various public utility offices or contact them via the toll free numbers listed in the telephone directory, communicating the full name, tax identification number, and address where the bills should be sent. In order to obtain reduction benefits for the "First Home" it is necessary to provide a certificate of residence within 5 months of the request for transfer of the accounts.

3. Within 30 days the buyer, with a copy of the final purchase act, a photocopy of his/her passport and of the tax identification number, should provide the tax office of the community concerned with:
- The *ICI (imposta comunale sugli immobili* - it varies from comune to comune) declaration of the value of the property used to determine its tax value. This is the register value as shown in the final sales act prepared by the notary, increased by 5 %.
 - The declaration for the removal of household and urban waste.
 - We suggest that the buyer contacts an Italian accountant who will evaluate the Italian income tax situation

Please note, for both of the above it is advisable to provide a copy of the payment bills used by the previous owner.

If the purchaser obtains a mortgage for the purchase in many cases the purchaser can deduct on his/her income tax return the interest and related charges.

Restoration or construction

In order to proceed with the restoration or the construction of a building, it is necessary to obtain the services of a licensed technician (*Geometra*), or an Architect or a Civil Engineer.

In Abruzzo, all types of construction or restoration works require the presentation of a request for authorization to the comune in question, signed by the owner of the property and a licensed technician.

In order to obtain authorization to begin these works, a tax must be paid to the comune; it normally takes 90 working days to receive the authorization from the time the request is presented.

Only in the case of light restoration works (painting, floors, window and door frames and wiring) may the technician present a particular request called *DIA*, for which it will not be necessary to pay any tax and the works can initiate in a brief time period under the responsibility of the technician.