

Buying Property in Calabria, Italy

The payment schedule and costs associated with buying the property:

The standard payment structure for off plan property:

- A €3,000 deposit is required to reserve your property. This is usually paid by credit card and can be paid during the viewing trip to hold the most favourable plot, or after your return.
- Your purchase contract is issued after the €3,000 deposit has been paid and between 30 and 50% of the agreed purchase price of the property then becomes due depending on the development. This is usually 4 to 6 weeks after your reservation.
- The remaining 50 - 70% of the agreed purchase price (less the €3,000 deposit) is payable on completion.

Additional Costs

The following additional costs will be incurred. As a guide you should expect to pay up to an extra 15% of the purchase price of an 'off plan' property.

This will cover the equivalent of VAT which is charged on the purchase price of any new property, solicitor's fees, notary's fees, land registry fees and local taxes. Your lawyer will advise you of the exact costs associated with your purchase.

There may also be charges for a mortgage and currency transfer.

The cost of owning the property:

The annual running costs will depend on the size of your property and its value:

As a guide, running costs for an average priced 2/3 bedroom property will be between £1,000 and £1,500 per year to include utility bills, local rates, annual property taxes, community charges and insurance.

Your lawyer will ensure that all utility services are connected to your new property and will assist with the setting up of direct debit payments from your Italian bank account which they are able to open on your behalf.

Legal Services for your Property in Calabria

Ohlsson Properties always recommends the use of an independent lawyer for international property transactions.

Appointing a lawyer

We believe it is absolutely essential that every individual buyer should receive independent legal verification that the property they intend to buy has good, clean title,

has all of the appropriate planning in place and is completely free of the burden of debts or charges registered against it.

To this end, as part of every property viewing trip to Calabria, we will introduce you to the services of a fully independent, English speaking lawyer who has all of the necessary qualifications and experience to provide a comprehensive service giving you total security and peace of mind. You will of course have the option of selecting an alternative lawyer if you prefer.

Your legal & tax questions answered:

We have provided answers to some of the most frequently asked questions below. If you have a question that is not included here, please contact us and we will be very pleased to help.

Will the property be freehold?

Yes. All of our properties are freehold.

Is permission needed to buy property in Italy?

No. As an EU resident you are free to purchase property in Italy without gaining permission.

Do you have to be present in Italy to complete?

No. You can assign Power of Attorney to your lawyer who will be able to attend the signing of contracts and deeds at the Notary office and sign all relevant documents on your behalf. You will also need a fiscal code before you complete and your lawyer can obtain this from the tax office on your behalf.

What is the role of the Notary?

The Notary is a government official who must place on the public record that the property title deed recording the purchase has been signed in his or her presence and understood by the buyer and the seller, both of whom must be represented at the signing. Your lawyer can act on your behalf at this point if you have assigned the relevant Power of Attorney to them. Note that the use of the Notary is not a substitute for independent legal advice.

Can the property be inspected before completion?

Yes. Prior to completion you will be invited to inspect the property and inform the builder if anything is not to your satisfaction in order that this may be rectified. You are not required to make your final payment and complete until the terms of the purchase contract have been met in full.

Is it advisable to make a will in Italy?

Yes, this is highly recommended. You are allowed to have a separate Italian will which will deal only with your assets in Italy without replacing the main will you may have in your own country.

Does inheritance tax apply?

No. Inheritance tax was abolished by the Italian government in October 2001. Gift tax was also partly abolished meaning that no taxes are levied on gifts between spouses and other relatives to the limit of the fourth degree of the relationship. If the beneficiary is not related, gift tax is only payable on the value of the asset transferred which exceeds €180,760. There is no liability on the transfer of assets up to this amount or of a lesser value.

Is there tax on rental income?

If you let out a property in Italy, you will usually be taxed on 85% of the rental income received. A person not resident in Italy for tax purposes must still make a declaration of Italian income. At the time of going to press, a rate of 23% was payable on income up to €15,000. Please contact us for the latest rates.

Does capital gains tax apply?

Gains made on the disposal of Italian real estate are taxable unless the property has been owned for more than 5 years in which case it is exempt from capital gains tax in Italy. The main home is also exempt provided another main home is bought within one year of the sale.

Please Note

The above information is provided as a guide only and may be subject to change. You should consult your professional legal and tax advisors for the latest information.

