

# BUYING IN ITALY (and in our beautiful Puglia)

## Your guide to buying A home in Italy, safely

- Your timetable to buying in Italy
- Focus on where and what to buy
- Set your budget
- Understand the legal processes
- Buy safely in Italy



# Contents

## ❖ **Buying safely in Italy**

About this guide

## ❖ **Is this the year?**

Five great reasons to buy a home in Italy this year

## ❖ **Deciding what to buy**

Essential decisions to make

## ❖ **How to buy**

Key financial points to consider

## ❖ **Making an offer**

Helpful tips for negotiation

## ❖ **The legal process**

The legal process explained



## Speak to the experts

Buying a property in Italy is a simple matter of putting one foot in front of the other. But you do need to ensure that you are on a firm footing by having a team of professionals behind you.

At Gente di Mare we have the perfect team And experts in marketing, real estate, luxury properties and our territory.

Contact us to know our agency.

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# **Buying safely in Italy**

## **-About this guide**

Our buying guide's aim is simple: to help you to buy safely in Italy and in our Puglia. Not everyone delays buying because they're worried. Some just don't know where to start! We can help you, with a roadmap and clear explanation of the buying process, the costs and timescales.

Along with our trustworthy team, the best way to eliminate risk is to stop exchange rate movements wrecking your budget. You wouldn't agree to buy a home in your own country where the price could move by 10 or even 20% before you have to pay for it, yet that is the risk you take if you don't lock in your exchange rate. We will explain how you can prevent that.

The Gente di Mare buying guide in Italy will help you achieve your dream of home-ownership in one of the world's favourite places. The process can be easy, enjoyable even, if you follow our simple steps.

Happy house hunting!

Anna Capriglia

Owner and manager

Gente di Mare Real Estate



**Is this the year?**



# You can own a home in Italy and above all, in Puglia!

You can enjoy the beautiful landscapes, the history, art, architecture and food of Puglia, not just for a quickly grabbed weekend, but always.

**Here are five great reasons to make this the year you move:**

## 1. Quality of life

Italy is a place to enjoy the finer things in life – and they often come free! How can you measure the pleasure of discovering yet another picture perfect Italian village, far off the beaten track yet with a friendly café and to-die-for views? Or wandering into a church and findind a Renaissance masterpiece?

## 2. Good property prices

Italy's buyer market is plenty of bargains to be found, particularly in village and countryside locations. If you agree to become a resident within 18 months of signing the purchase contract you will also pay less in stamp duty, 2% of the value, compared to 9% on second homes. But more importantly, the homes are gorgeous, from cosy trulli to smart modern apartments, country houses with olive trees to ancient palazzos.



### 3. Cost of living

Italy is a relatively inexpensive country to live in – at least away from the tourist areas.

For example, the government has abolished the equivalent of council tax on people's main residence. Groceries are around 15% cheaper in Italy and a meal out is 40% less than in the UK, for example. As so much of the produce is grown locally you can easily live a healthy lifestyle for less by shopping at the excellent markets.



### 4. Easy to reach

Italy has over 30 international airports. Low cost airlines such as Ryanair and Easyjet make it very affordable for your friends, family or holiday guests to visit you in your Italian home. Italy also has a superb road and rail network right across the country.



### 5. Tourist income

Italy has enjoyed a tourism boom in recent years, with both hotels and online rental websites, such as Airbnb, reporting more visitors. The Ministry for tourism have been working hard to encourage tourists to visit places off the beaten track. This is great for anyone wanting to rent out their Italian property to tourists, and potential rental incomes are good compared to other Mediterranean countries.





# Deciding what to buy



## Step one: Essential Decisions

Your dreams and intentions may change throughout the process, but organising your initial plans is the place to start. You should ask yourself these five basic questions.

### Why are you buying?

So you know you want to buy a property in Italy, but why exactly? Analysing and articulating your thoughts can help motivate and direct you, so write down your ideas. Here are some examples:

- “We want to enjoy more space, sun and Italian lifestyle.”
- “We want to open a guest house and share our love of Italy.”
- “Now the kids have left home, we need a new adventure.”

### How will you use it?

This is crucial to ensuring that you really enjoy your property. What will you do with it? Long weekends, three weeks over the summer, for investment, for retirement? Be honest with yourself. For example, if you don't want other people using it and don't need the money, why worry about rental or investment potential?

### How much can you afford?

There may be ways to raise more money, or even share the costs, but get an idea of your realistic budget from the off. You should budget for at least 10% extra of buying costs. Don't forget also that you won't quite get the “interbank” rate for your currency that's shown on the news and the FX sites, but a percentage point or two below that. On the other hand, you might be able to knock a little bit off the price of the property too.



## What **MUST** your Italian/Apulian home have?

What are your deal-breakers, the must haves? How many bedrooms or bathrooms do you need? Is a pool essential or would a local beach be better? Outdoor space? What would make it perfect for you? Do you want a terrace, garden and/or a swimming pool?



## What are your turn-offs?

It's nice to be positive, but focusing on what we can't stand can be quite liberating too!

Do you find a beach less appealing than your own pool? Or are you worried that you'll be saddled with all the pool cleaning? Now is the time to say it loud and clear.

You want to love this home, so spell out what will stop that happening, then see if your partner or spouse feel the same!

## Buying tip!!

Pull together as much information on moving to Puglia as you can – both positive and negative. Research newspapers, magazines, books etc..

Look online at expat groups/forums (particularly for issues or complaints that stand out or reoccur) and Apulian property websites.

[Visit real estate websites to get first-hand information before paying out for a viewing trip.](#)



# Checklist to a perfect property

## The location

Tourist area or avoiding them?	
City, town, village?	
Maximum distance to the shops?	
Max distance to the airport?	
Max distance to the hospital?	
Max distance to the beach?	
Need public transport?	
Other location requirements?	

## The property

Budget?	
Old or modern?	
Kind of property? (trullo, masseria etc...)	
Bedrooms?	
Bedrooms with ensuite?	
Bathrooms?	
Living area – open plan?	
Separate dining room?	
Wheelchair accessible?	
Rough square metres?	
View?	
State of repair?	
Presence of a dependance?	

## Outside space

Garden?	
Terrace?	
Pool?	
Garage?	



## Step two: Countdown to Buying

Working out a timetable is a powerful tool in turning dreams to reality. Many people wait until the spring or autumn to start looking – but why wait until everyone is buying? High demand, after all, generally means higher prices. Not only can you start looking at property at any time, but quiet times can be good for picking up bargains too. Estate agents will be keener and sellers more motivated, fearful of being stuck with a property for another season.

A tactic that we find works well is to set an end date and fix in your mind being in the property by then. Then work your way back from that. Tick these off as you achieve them.

### **Six months from being a Italian/Apulian home owner:**

- Narrow down your choices using our checklist. Prepare a list of must haves and nice-to-haves;
- Remember, you will not be able to access the “interbank” rate that you see on the news and on the property websites, so it’s essential to get an idea of your real buying budget and lock that in;
- Speak to a mortgage advisor, if required;
- Set your budget.

### **Five months from owning:**

- Begin your detailed property search;
- Speak to a lawyer about how best to structure the deal.



## Four months from owning:

- Speak to estate agents;
- Narrow down properties for realistically achievable viewing trips;
- Book viewing trip(s).



## Three months from owning:

- Viewing trips;
- Make an offer;
- Contract notary;
- Protect your budget with currency specialist. Consider forward contract;
- Book a survey, if required.

## Two month from owning:

- Sign reservation contract, if required;
- Sign preliminary contract, contratto preliminare, and pay deposit;
- You now have six to eight weeks wait. (Plan removals and decoration!);
- Ensure utilities will be connected;
- Make final payment. Sign final deed of sale, Atto pubblico di compravendita;
- Receive keys and move in.





# How to buy



# How to pay for your house in Italy

You need to know exactly how much money you can spend, and what your financial sources are: savings, the sale or re-mortgage of your property etc...

It's also important to think about the costs involved in buying a property.

## The key financial points to consider are:

### Funds available:

Work out the total amount of money you have available to purchase a property. It could include cash, savings, items you can sell, pension drawdown, investments you can cash in.

### Additional finance:

Can you buy with a mortgage? Speak to an estate agent, independent financial advisor, bank or other lender to assess your options. If so, how much deposit will you need, and how will you service the monthly repayments? What would you do in an emergency?

Do you have a property in your country from which you can release funds, either by remortgaging or by equity release?

Our agency can recommend mortgage advisors and equity release specialists. Email [info@immobiliareostuni.it](mailto:info@immobiliareostuni.it) or call 0039 3381909753.

### Ongoing finance:

There are costs that will come after you have bought your home, including local property taxes, maintenance and travelling expenses to get there. How will you cover these? Don't forget too, that exchange rates can change.



# Getting a mortgage in Italy as a foreigner

If you're planning to buy a property in Italy, then you will likely need a mortgage. As a foreigner in Italy, this is something that varies depending on whether you're a resident in Italy or not, and in the case of mortgages in Italy for non-residents, the process generally requires more documents. Now we're focusing on how residents can get a mortgage in Italy, a process which is the same as Italians who need a mortgage. What do I have to do to apply for a mortgage?

## How to apply for a mortgage in Italy

For the majority of banks in Italy, applying for a mortgage takes place in 3 stages:

1. **Client and credit history study:** you will have to provide the bank with a list of documents, including your ID card or passport, the property sale agreement, proof of income (normally your last 3 payslips and tax certificates), a credit report and proof of your current address. Your credit history will be checked, as well as your personal and income situation in order to evaluate the viability of your mortgage application.
2. **Property valuation by an independent company:** this company is chosen by the bank and estimates the value of the house in order to certify its mortgageability as a guarantee for the loan.
3. **Completing the mortgage application process:** if the valuation meets the criteria set by the bank and the bank is happy that your application is low risk, then you will be able to proceed with the purchase and sign the mortgage.

It's important to note that this is a rather **complex process that takes on average between 20 and 60 days**. In some cases makes it impossible for the potential buyer to sign an agreement, and in many cases the house of their dreams will be lost due to the lack of immediate financial resources to complete the process.

This is why some banks allow clients to **apply for a mortgage with pre-approval**, without costs and constraints for the customer, lasting up to six months to allow the potential buyer to arrive with the cheque in hand when visiting the property to buy.



# How much money can you ask for?

## Situation 1: a household with average income

Assuming a 3-person household, with 2 average incomes and a total net monthly income of 2,800 euro (with no outstanding commitments such as other loans), most banks will be willing to grant a mortgage with an instalment of no more than 840 euros per month. This amount corresponds to about one third of the net disposable income considering a residual income of 1,960 euros, sufficient to cover the household's current expenses. In this case, the amount obtainable for a pre-approval will be about 180,000 euros to be repaid in 20 years.

## Situation 2: a high income household

In the case of a family with a high average income (4,800 euros net per month) with no outstanding commitments, the maximum obtainable monthly instalment can be close to 1,500 euros. Considering a maximum instalment of around 30% of the available income, it is possible to imagine to get a pre-approved mortgage of around 310,000 euros to be repaid in 25 years.

## Situation 3: a single person with low income

On the other hand, for a single person looking for a house, be it a first or second home, with an average income that would allow him to live in a large city (net monthly salary of 1,600 euro), we can assume a maximum mortgage payment of 480 euros which would allow him to take out a mortgage loan worth around 125,000 euro to be repaid in 25 years.

## Situation 4: a single person with high income

For a single person with a medium-to-high income of around 2,800 euros per month, a maximum instalment of 850 euros can be assumed (in the absence of other commitments). In this case, the mortgage that can be taken out will be around 220,000 euro to be repaid over 25 years.



# Italian mortgage for non-Italians

Non-Italian residents are allowed to get **Italian mortgages** on Italian properties. Some **Italian banks offer mortgages to non-residents** who want to **buy** and/or **refurbish** an Italian property.

**Italian bank policies for mortgages to non-Italians got stricter** after the 2008 financial crisis. However, recently several Italian financial institutions developed new rules **to give foreigners more options to get an Italian mortgage**. As a result, a non-Italian resident can borrow up to **50-60% of the property value**.

An Italian mortgage loan to a non Italian resident might be granted in euros or **in a foreign currency**.

## Italian Mortgage Costs

When planning to apply for a mortgage you should consider the ancillary costs, such as, mortgage application fee, broker fee, mortgage taxes, appraisal, notary fees, home insurance and interpreter fees, as necessary.

Mortgage approval success chances, evaluation parameters, loan amount, timing and cost depend on several factors, such as applicant's nationality, domicile, personal conditions (e.g., employment, marriage, and financial status) and property conditions. A mortgage broker might help you select the financial institution that best fits your specific case circumstances and needs.



# Get an Italian mortgage

*Once you file an Italian mortgage application to buy an Italian property, it takes eight to ten weeks to complete the process and receive the loan amount. If getting the mortgage is a contingency for you to proceed with the purchase, get a mortgage pre-approval before you commit to the property investment. The Italian mortgage process involves the following steps:*

- 1) Personal solvency check:** bank review of your personal financial information and property information – a day or two;
- 2) Pre-approval mortgage application:** preparation, submission and pre-approval outcome – three days to two weeks;
- 3) Property compliance check:** a surveyor (appraiser) appointed by the bank **inspects** the property and issues a **compliance** and evaluation report for the bank – two to three weeks;
- 4) Title check:** a **notary** appointed by the borrower reviews the property title and issues a **title check report** for the bank – **one to two weeks**;
- 5) Final Mortgage Approval:** subject to **satisfactory solvency check, property compliance check** and title check by the notary, the bank issues a **formal mortgage approval** – **one to two weeks**;
- 6) Funds release:** After mortgage approval, **bank and borrower agree on a signing date**. In a mortgage loan asked for a property purchase, the borrower signs the purchase contract and the mortgage contract in front of the same notary within the **same notary signing** session. Depending on the policy of the mortgage institution, they might **release the mortgage funds at signing or upon confirmation (from the notary) of title transfer registration in the Public Land Register** (Register of Deeds), which might take two to four weeks after completion.

As a condition to complete the mortgage process the bank might insist that you **open an Italian bank account** with them to set up **automatic mortgage payments**. Since this is not a legal requirement, you might be able to discuss options with them, such as using an **Italian bank account** you already have or are planning to open with another bank, or make direct payments to the bank through your home country bank account.

Also, recently some banks ask that the borrower is **physically present at final signing** and make this a **deal-breaker**. In the past we have completed many mortgages on behalf of our clients based on a Power of Attorney. However, for some banks this will no longer be an option. Therefore, if you do not care for sitting in a notary office for two hours plus for mortgage signing, remember to ask for the applicable **signing policies** when selecting the preferred mortgage institution.

You can **save on mortgage process time and costs** if the **owner** already has a mortgage on the property. In particular, if you are happy with the terms of the existing mortgage you might be able to **undertake (assume) it at no cost and no fee**. This might be a very interesting opportunity for some buyers. By way of example, if you assume an existing loan of EUR 50,000 loan, you would **save approximately EUR 5,000** compared to getting the same loan through a standard mortgage application process.



# Costs of buying property in Italy

You've been dreaming about buying a house in Italy for a long time and finally you've found the perfect property, the one that ticks all the boxes, for which you're now ready to submit an offer. Apart from the purchase price, have you considered all other costs associated with buying real estate in Italy? Not yet? This might be a good time to start doing your math!

Buying a home is an important economic investment, especially if the property is in need of renovation works, meaning that to be sure you're not going over budget, you need to evaluate all costs involved right from the start.

## Taxes:

These depend on various criteria, so seek qualified advice as to which apply to you. The main factors are:

- a) Whether bought from a developer or a resale from a private individual.
- b) If the purchase price or the cadastral value is used in calculations. The cadastral value (valore catastale) is the property value on record, rather than the purchase price actually paid, often around 50% lower than the purchase price.
- c) Whether you are buying with a mortgage.
- d) If you intend to become a resident or use the property as a second home.
- f) If it is a luxury property or currently uninhabitable.



## House purchase in Italy: the notary

In Italy, conveyance deeds are to be drawn up by an impartial public officer (the notary) in order to have legal proof. The notary acts as an **independent third party** who is in charge of making sure that the conveyance of the property complies with all legal requirements.

To safeguard the interests of the “weaker” party, it is generally recommended that **the notary is appointed by the buyer** from the beginning of the negotiations, before signing a preliminary contract, so that every aspect of the transaction can be evaluated together with the notary. Also, the notary collects taxes due for the deeds (registration tax, land registry tax, mortgage tax, etc.) on behalf of the Government.

**Choosing a notary is a personal decision and must not be imposed by the real estate agent, the seller or other professionals.** By visiting the official website of the Notariat you can search for a notary based on location. You should choose a notary that you trust on the basis of his/her ability to advise and guide you through the process of buying a property in Italy.



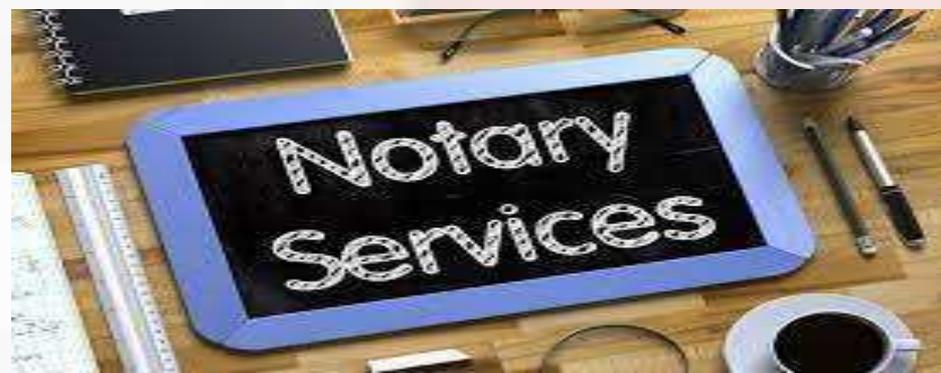
## NOTARY'S RESPONSIBILITIES

It is extremely important to check that paperwork is in order before signing any binding document and there are numerous activities carried out by the notary in preparation for the transaction.

The notary is responsible for: choosing the type of deed most suitable for the specific situation, checking the parties to make sure that the seller really owns the property and has the right to sell it, ensuring the land registry plans are up-to-date and building/planning permissions are in place, etc. In order to avoid the sale of properties which do not comply with cadastral regulations (properties that have not been registered or that have undergone variations that have never been communicated), it is compulsory to indicate in the deed the cadastral data and reference to the latest cadastral plans. Moreover, **the deed must contain a declaration where the owners confirm that the actual situation of the property is respondent to the cadastral data and plans.**

After the conveyance deed is signed, the notary is required by law to perform a series of tasks, within a short timeframe, in order to ensure payment of the relevant taxes and make the transaction publicly available. The notary must:

- **Register the deed with Agenzia delle Entrate** (taxation authority) and pay the relevant taxes on behalf of the client;
- **Publish the deed in the Public Registers**, making it known and fully effective to third parties (the filing of the deed with the competent authority is required by law to let everyone know the new owner of the property);
- **Update the Land Registry.**



# Costs associated with the purchase

## **IMPOSTA DI REGISTRO (REGISTRATION TAX):**

### **When you buy a home:**

- 9% for the purchase of property that do not qualify for any tax incentive;
- 2% for the purchase of property eligible for the “prima casa” (first home) tax incentive.

Note: The law imposes a minimum amount of 1,000€ if the calculation at the above rates is lower than this minimum threshold.

The rates apply to the sale price declared in the deeds. However, when the buyer of residential property is a physical person (not a company), he can request the notary to calculate the registration tax using the "cadastral value" of the property (which is the value obtained by multiplying the cadastral income by a coefficient), regardless of the actual sale price.

### **When you buy land:**

- 15% for the purchase of agricultural land by people who aren't farmers or agriculture entrepreneurs, regularly registered to the relevant pension scheme;
- 9% for the purchase of non-agricultural land.

For the purchase of land the rates are always calculated on the basis of the purchase price declared in the deed of conveyance by the parties.

## **IMPOSTA CATASTALE (LAND REGISTRY TAX): 50€**

## **IMPOSTA IPOTECARIA (MORTGAGE TAX): 50€**



The registration tax, mortgage and land registry taxes are to be paid by the buyer to the notary who, in turn, will forward them to the government Taxation Office at the time of registration of the deed.

Note: If the seller is the contractor who built/renovated the property the registration tax, the land registry tax and the mortgage tax are set at 200€ each.

## NOTARY'S PROFESSIONAL FEES

Notaries don't have fixed fees. The fee is negotiated between the buyer and the notary, who provides a written estimate with the detailed description of his/her fees and the payable taxes. As an indication only, the fees charged for the purchase of a property valued 200.000 € may not exceed 1%.

I would recommend contacting more than one professional and ask for a quotation, but do not choose the notary only on the basis of the best price, choose someone that you trust!

## REAL ESTATE AGENT'S COMMISSION

Where a real estate agent is involved, the buyer must pay his/her commission. Real estate agent's fees are around 3-4% of the purchase price.



## HOME INSURANCE

You may want to stipulate a home insurance to cover yourself from damage that could affect the property (i.e. earthquake or other natural events) or damage that can be caused by you to other people (i.e. roof tiles striking a passer-by or a car).

## IVA (VAT)

- 4% of the purchase price for property eligible for the “prima casa” (first home) tax incentive;
- 10% of the purchase price for a second home;
- 22% of the purchase price for luxury property.

If the seller is a company, the VAT is not due, however the VAT is due if you are buying directly from the contractor who built/restored the property within 5 years from completion of the construction. In this case the registration tax, the land registry tax and the mortgage tax are set at 200€ each.



## MORTGAGE FEES

If applying for a loan, the interest rate is certainly one of the most important aspects to evaluate. The interest rate can be fixed, when it doesn't change for the whole duration of the mortgage, or variable, when it changes over time. A variable interest rate is generally lower than a fixed one, but it may rise over time.

## **The Estate Agent**

A good estate agent is a vital ingredient in finding a property in Italy. You need one that is legal, reliable and, most importantly, understands the type of property you want. There are big differences in how Italian agents work compared to British ones.

A large, modern stone building with arched windows and a swimming pool in the foreground. The building is constructed from light-colored stone blocks and features several arched openings. The swimming pool is in the foreground, with clear blue water reflecting the sky and the building. The sky is a clear, bright blue.

**A good Italian agent:**

## **Operates legally and ethically**

Find an agent in your desired area by look under Agenzia immobiliare in the Italian yellow pages online Pagine Gialle, which includes a map showing their location. They must be registered with the local chamber of commerce (*camera di commercio*) and have a certificate issued by the local comune as proof of registration.

An agent should also be registered with the Italian association of estate agents (AICI), federation of mediators and agents (FIMA) or federation of professional estate agents (FIAI). Agents usually display which they are registered with at the bottom of the home page of their website.

## **Has experience working with foreign buyers**

You want an agent who speaks your language, knows the popular areas for foreign buyers, understands the market and knows the politics and planning involved to make things happen.

## **Is proactive and offers a good service**

If you ask a question, you want an agent who calls you back. If you have a problem, you want someone who takes action to get it resolved. Determining up front if an agent is helpful will give you a better chance of getting things done properly. Send them a brief or an email before you go to Italy, asking them a question and see how long they take to get back to you – and how enthusiastic they are about helping you.

## **Stays with you until the end**

Any agent should help you throughout the buying process, as earning their commission depends on it. They may also help you open a bank account too, and find a surveyor, builder, notary and anyone else to smooth the sales process.

A really good agent will help you further than just the final contract, however, suggesting a good local doctor, school and whatever else you need. You can find out if your prospective agent does this by asking for past-buyer feedback. Most estate agents working in the foreign buying market stay in contact with happy buyers and will be only too pleased to introduce you.

# It's very important to choose the right real estate agent

- **Check how “digital” he is**, if you are far away it is important to be able to communicate with him through telematic means and it is equally important that he can search for your house using digital tools too;
- **Does he have access to a network of colleagues** who can help him with your search or does he simply want to sell the 3 or 4 properties that he is managing, directly to you? In Italy too - as in the USA and in many other countries, there are databases of houses for sale, but few agents access them so as not to have to share commissions with their colleagues. But does your agent have your interests or just his commission at heart?
- **Is your real estate agent answering you and is he fast?** You are hundreds if not thousands of kilometres away, knowing that your real estate agent is always available to exchange information is essential since you can't stop by the office and talk to him in person.

## **But most of all, does your agent have a METHOD OF**

**work** or does he just show you a catalogue of houses hoping that you like one of them? We know that you, as a client, want to see the houses and know how much they cost. It is normal that you have this curiosity. Who doesn't? But as real estate agents, we have a different obligation. And it's about finding out what you really need, how you'll use the house, how you like to live and making sure that the decision is not made on photos and a price but on how you'll actually use the house and based on your needs.

## **Reciprocity**

An important aspect that you must consider before you start your search is to know if your country has an agreement with Italy called the **“Right of Reciprocity”** for which citizens of countries that are not members of the European Union can only buy in Italy to the extent of what it would be possible for an Italian citizen to buy in the State of the foreign citizen who is intending to buy in Italy.

**For example**, Swiss citizens cannot buy a property in Italy that has a surface area of more than 200 square metres.



# Five tips for a successful viewing trip:

**1. Avoid peak time.** Even apart from the obvious downsides of expensive flights, hotels and tourist crowds, many of the best rental properties will have guests inside them. If looking off-season, do some research into how different the resort is in the height of the season.



**2. Use technology.** There's nothing more frustrating than driving miles to a property which you hate as soon as you lay eyes on it! Use Google Streetview to weed out properties that lack kerb appeal (although do read about the bon de visite, left). Once you're back home, you won't be able to pop back for another look as you would if you were buying somewhere in your country, so use your smart phones to take photos and video clips of properties.

**3. Don't be too polite.** Avoid any estate agent that tries to control or take over your time or schedule while there. A good agent might offer to find you a hotel, drive you around, even take you to dinner, but equally they will be happy to leave you to your own devices.



**4. Engage the imagination.** Even the most sparkling pool can look like a little swampy after a month or two of neglect. Do consider that ugly duckling property – it might be tens of thousands of euros cheaper but cost just hundreds to turn into a beauty of a home for generations to come.

**5. Be prepared with your deposit.** The vendor may ask for a deposit at the offer stage. Talk to Smart Currency Exchange as if you commit to paying that amount in euros, what will you do if the exchange rate then changes?



**If you are looking for a good Apulian agent,  
contact Gente di Mare  
+ 39 3381909753  
[info@immobiliareostuni.it](mailto:info@immobiliareostuni.it)**





# Making an offer



# How to bargain

Once you've had a viewing trip or two, narrowed down your property search to a handful of options, and know how you are going to pay for it, it's time to start making offers. Your agent should be able to let you know what an acceptable offer is, and make recommendations. Here are six simple tips to staying in control during the negotiation process:

## 1. Know what you are talking about

By conducting the market research and reviewing recent local sales you will be confident in asking for a fair price. Being well-informed and asking educated questions will show you mean business.

## 3. Charm

You are buying something that someone loves. Being too aggressive in your attitude or pricing will kill off all your good work.

## 5. Counter offer quickly

Any delay in responding leaves room for a seller to consider other offers. Make sure you are prepared for what you are willing to pay before entering negotiations and respond quickly and confidently to any counter-offers.

## 2. Get your game face on

Don't come across too keen, nor too blasé. Be polite yet serious, let the selling team know you've viewed a lot of houses and know your stuff.

## 4. Take control of the negotiations

You are the one making the offer. You can walk away at any minute and buy something else; the seller needs to sell that property.

## 6. Don't stress if it falls through

Stay rational and if a deal falls through, don't worry. In many cases buyers look back on deals that didn't happen with relief, finding the ideal property later down the road.





# The Legal Process



# Italy's buying system

The foreigners have the same right to buy in Italy as the Italians do, but the legal processes will not be like those you are used to your own country.

## 1. Get your Codice Fiscale

If you are planning to purchase a property in Italy or want to open an Italian bank account you will need a *Codice Fiscale*. The *Codice Fiscale* is a number issued by the Agenzia delle Entrate (the Italian Revenue Agency) of the Ministry of Economy and Finance of Italy. You will need to fill in a form and show your passport.

## 2. Open an Italian bank account

You may also need an Italian bank account to transfer money for your property purchase, as the notary may insist on a banker's draft from an Italian Bank. Talk to Smart Currency Exchange about the best and safest way to transfer money from your own country to Italy.

## 3. Find your property!

When you find a property that you're keen to buy, it is important to ask the estate agent for detailed information about the transaction, what property features are included in the sale, title information, building compliance, applicable transaction taxes, ongoing costs (e.g., maintenance, taxes), energy supply and seller's solvency before committing to a purchase. It is an Italian estate agent's job to not only bring sellers and buyers together but also to carry out the enquiries and research necessary for the closing of the purchase/sale. They are there to guide you through every step of the purchase.

## 4. Get a survey?

If the property needs renovating you will also want to get quotes for labour and materials, as well as costs involved in getting planning permission (if required.) Try and meet the neighbours and ask around locally for information about the area, such as the location of waste dumps, sewage works and noisy neighbours or businesses. All this information may affect the offer you make.

## 5. Making an offer

Initially you will negotiate the price verbally through the estate agent. You could then do a purchase proposal (*proposta di acquisto*) which is a declaration by the buyer that he wants to purchase the property at a certain price. Once signed you are then making a commitment to purchase. But the seller is not yet obliged to accept. If the property comes with a lot of land it has to be offered to the neighbouring farmers at that price first. If they don't want to buy it they must sign a declaration saying that.

## 6. Preliminary Contract

Once accepted by the seller the purchase proposal should be converted into a preliminary contract (*contratto preliminare*) signed also by the seller. This is a proper contract that obligates both parties to sign the final contract. The preliminary contract stipulates the main elements of the transaction such as the sale price and the identity of the property, its address, plot numbers, a detailed description using information from the Land Registry and the date of the final contract. It is not mandatory for the preliminary contract to be drawn up by a notary, but it may be useful to have a notary clarify some items. Once the seller signs it they are accepting the offered price and undertake not to sell the property to anyone else. At this stage the buyer pays a deposit (*caparra*) of around €10,000, usually. Under typical conditions laid out in the contract, if either side backs out the other party will have the legal right to seek compensation. The buyer could claim back his deposit plus the same amount again if the seller backs out. If you, the purchaser, back out you lose your deposit. If all necessary paperwork is in order you could skip the Preliminary Contract and move directly to the final purchase deed. This is where the notary comes in.

## 7. Notary

As buyer, you choose (and pay) the notary. By law, the notary acts as a third party who is independent of both seller and buyer, ensuring that the conveyance of the property complies with all legal requirements. Once the nature of the deed to be drawn up has been defined, the notary must by law perform a series of up-front checks on legality so that the contract will stand the test of time and be unassailable. For peace of mind you may also want to employ an English speaking lawyer to make sure you understand everything and protect your interests.

## What will your estate agent or lawyer check?

Among the matters they will be checking (over two to three months) are:

- Who owns the property and has the right to sell it.
- If anyone else has an interest in the property or rights over it, such as neighbours with rights of way or access.
- If there are debts against the property, such as a mortgage or loans.
- If there are guarantees or certificates on property under 10 years old.
- That any recent renovation work complies with building permission.



## 8. How long does it take?

If the buyer is ready and the house is vacant, six to eight weeks is usual. Quite often, however, paperwork has to be prepared or plans updated and occasionally there may be planning issues to sort out. This can all result in it taking longer.

## 9. Transfer of Title

The seller and buyer attend the notary's office to witness and sign the public deed of sale (*atto pubblico di compravendita*, also called *rogito*). If you are unable to attend in person you can be represented by a power of attorney. First it is translated into English for you. After the final deed is signed, the balance of the purchase price is paid to the seller, by means of Italian banker's draft or bank transfer. You now receive the keys.

**Welcome to Italy and to Puglia!**





# Our tips



# Why investing in a property in Puglia?

In recent years, in Italy is taking place a **rebirth of the real estate market**. Above all **purchases for investment purposes** – which up to two or three years ago constituted a fairly small part of real estate sales – are growing very clearly.

Rather than earning less than 1% on a ten-year bond, it is much better to **invest in a property that provides at least 4-5% net per year**.

But to stimulate investments in the real estate sector is also another phenomenon that is radically changing the market: the **growth of non-hotel tourism**. This trend is also followed by Puglia, a region in great expansion whose rental property market has its very specific characteristics.

## So why investing in a rental property in Puglia?

### 1. A TOURIST BOOM

The first reason for investing in a rental property in Puglia is that this region is experiencing a real boom in terms of tourism. **Tourist flows of all sorts have been rising for over a decade** and show no signs of abating. On the contrary, being a territory that still has so much to offer in terms of tourism, whose communities are working to implement services and the offer receptive to cope with the ever-increasing number of visitors, **investing in a rental property in this region means betting in an even brighter future** for this land rich in cultural and landscape beauties.

### 2. ONE OF THE HIGHEST YIELD

Unlike other Italian regions, the **rental season – especially in some areas – is very long**. Often it is possible to rent continuously for 7 months, from April to October. Moreover, especially in the last few years, and also here in a different way depending on the area, **Puglia attracts international visitors with very high spending and purchasing power**. All this means that Puglia guarantees one of the highest returns on the initial investment in Italy.

### 3. GOOD GROWTH PROSPECT OF THE PROPERTY VALUE

Another good reason for investing in a rental property in Puglia is that the **real estate market in Puglia has excellent growth prospects**. At the moment property prices in Puglia still represent excellent value for money. There are homes here to meet most budgets. The small rural houses that need restoration start at around € 30,000. Simple, modern two-bedroom villas start at around € 70,000, while three-bedroom properties cost around € 100,000. For € 250,000 you could get a villa by the sea, a three-bedroom house with a pool near a trendy town or a beautiful country house. All this suggests that **investing in Puglia right now is a great deal because in the medium to long term the values of the properties are definitely destined to increase**.

### 5. GOOD POLITICAL-SOCIAL-ENVIRONMENTAL CONDITIONS

Puglia is **prosperous, safe and well managed**, with **good facilities and infrastructure**. Not densely populated and without large cities, the region is characterized by a **strong sense of community** and a **low crime rate**. People know their neighbors and support each other. Puglia has fewer earthquakes than most of the entire Italian peninsula, low annual rainfall and in general is affected by **very few natural disasters**. From this point of view, buying a property in Puglia is a more than safe investment.

### 4. PERSONAL USE AND PERSONALIZATION OF THE PROPERTY

By investing in a rental property you will have an income from the rent but you will also have the **property available for personal use at any time of the year**. Depending on your monetization needs, you can rent the house for longer or less time and therefore be able to use the property for more or less time. Puglia, thanks to its mild climate for most of the year, can allow both: rent it in the months in which there is greater demand and keep it for own use when the request decreases. But not only: **Puglia has a great variety in terms of the types of property to buy**. You can invest in buildings that are unique in the world, such as Trulli (dry-stone houses with a conical roof with a fairy-tale appearance), Lamie (square houses with vaulted roofs), Masserie (robust, elegant farmhouses) or modern villas that recall traditional architectural elements. **There is a property to invest in for all tastes, budgets and needs**.

## 6. LOW MAINTENANCE COSTS

When you buy a rental property, even more than if you buy it for personal use only, you have to take into account maintenance costs every year, which is essential for having a good income from the rent. Well, excluding the renovation works of the Trulli and other stone-made buildings (which are usually quite expensive) **the ordinary maintenance works are very cheap in Puglia**. So your property will remain in excellent condition every year at a very low cost.



## 7. GOOD ACCESSIBILITY

As a place to buy a second home, Puglia has long been popular with northern Italians. Buyers from abroad, however, found the region a bit too difficult to access until the **low-cost airlines started offering direct flights to Puglia in 2004**. From then on, Northern Europeans (and not only) quickly began to fall in love with the “Heel of Italy”, and many of them have started to buy some attractive rental properties here. **Today Bari and Brindisi Airports see flights from international destinations growing each year.**



# Best places to buy a property in Puglia

**Puglia** is one of the first regions in Italy for request and sale of rental properties.

Tourism in this region is experiencing a **golden age** and buying a villa to be introduced in the rental market represents a **very favorable and not risky investment**. But which are the best places to buy a rental property in Puglia?

Puglia is characterized by dry plains, rolling hills, a low coast with enchanting beaches, art towns and beautiful villages. Its climate makes it ideal for the cultivation of olives, grapes and wheat consequently Puglia is the main Italian producer region of oil and wine.



**Realize  
your  
dream  
And  
invest in  
Puglia!**



Although these two areas have a decent real estate market regarding rental properties, Gate-away.com reveals that the **first places in Puglia for the number of requests received are Ostuni, Monopoli and the Trulli Valley**. These places seem like have two characteristics that other areas of Puglia do not have. First of all, they attract mainly **foreign tourists with a high economic resource** (they are mostly English, Germans and the Americans people who buy a property here, followed by Belgians and French); secondly these areas have a **longer tourist season**, from April to October, as it is not strictly connected to beach tourism but more to other aspects such as landscape, experiences, villages and food and wine.

**Monopoli** and the nearby **Polignano a Mare** are among the most popular destinations for foreigner tourists who here can enjoy a spectacular stretch of coast and the beauty and liveliness of the two towns.

**Ostuni**, for years at the top in the rental properties real estate market, continues to attract visitors for its proximity to the sea, the charm of the town and the beauty of the countryside. Recently **Carovigno** area, close to Ostuni, has also begun to attract interest. It is still little known, but it has great potential.

Characteristic dwellings of Puglia very attractive for the rental property real estate market are the **Trulli**, stone buildings with cone-shaped roofs scattered around the countryside. The Trulli are located in the area called **Valle d'Itria** (commonly called the **Trulli Valley**), and the greatest concentration is in the municipalities of **Ostuni, Cisternino, Locorotondo, Martina Franca, Alberobello**, which is the only village with the historic center entirely made up of Trulli. However, compared to the Trulli in the village, the Trulli Villas placed in the countryside have a much higher potential with regard to rental income. The Trulli market in recent years has been characterized by a **great increase** in demand, both from Italian and foreign buyers, fascinated by the beauty of the Apulian landscape and the unique characteristics of these dwellings.



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Puglia!**