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GLOSSARY OF ITALIAN REAL ESTATE

ABITABILITÀ / HABITABILITY: Refers to a property that respects all parameters established by the building regulations in force and therefore entitled to be inhabited. These parameters refer to the distance floor-ceiling of the rooms, the lightness of the rooms and number of windows, security and conformity to Italian Law of the heating, gas and electric installation, and respect of the town-planning. It is the Comune that issues the certificate of habitability, after positive results of the controls carried out by the National Sanitary Service on the correspondence of the property to the parameters established by Law.

AGENZIA DEL TERRITORIO - CATASTO FABBRICATI / LAND OFFICE: The Land office is the office of the Ministry of Finance where all immovable properties of the Italian State territory are inventoried. The information gathered and listed refer to the ownership of the properties, to their characteristics (plans and maps) and their cadastral survey (valuation).

ATTO DI PROVENIENZA / PROVENANCE DEED: Real Estate terminology: The most recent public document (e.g. purchase and sale, deed of gift) available regarding the history of a property.

ATTO PUBBLICO / PUBLIC DEED: A document drawn up by an authorized Notary, using a special form and language, as required by Law, apt to give it the necessary confidence on its truthfulness.

CAPARRA / CAUTION-MONEY: In a contract the clause used to strengthen the contractual tie. If one of the parties is defaulting towards the assumed obligations, he will have to pay the established amount of money.

CATASTO/ REGISTER OF LANDED PROPERTY: The Register of landed property is the office where all complex operations apt to establish the location, the plans, the consistence and income of real estates are carried out.

CATEGORIE CATASTALI / CADASTRAL CLASSES: The buildings are divided, according to their use, into different typologies. The land office categories are distinguished in 5 groups: A (dwelling), B (buildings of collective use such as barracks and schools), C (buildings of commercial use such as boxes and shops), D (buildings used for contracting purposes), E (special buildings). These categories are in their turn split into other groups according to some characteristics of value and use of the different kind of buildings. For instance, living units are classified as follows: A/1 luxury residence; A/2 civil residence; A/3 economic residence; A/4 council house; A/5 ultra council houses; A/6 rural residence; A/7 small detached properties; A/8 detached properties; A/9 castles, historical and

artistic dwellings; A/10 offices and private studios; A/11 typical properties (Alpine hut, Trulli etc.). Each of these groups can in their turn be classified according to the quality of the property and its actual state.

CERTIFICATO CATASTALE / LAND REGISTRY CERTIFICATE: This certificate is issued by the Land Office of the province and contains the ground identifications of a building, the Land office estimated income and the identification of the owner.

COMPRAVENDITA / PURCHASE AND SALE: This is the most important exchange contract between people. According to the Italian Civil Law (articolo 1470 C.C) it is the contract transferring the ownership of a property or of another civil right towards compensation of an established amount of money (price). The purchase and sale is a contract:

- Non formal: the consent can be expressed in different ways unless the object requires a particular form (e.g. an immovable property needs a written consent, art.1350 c.c.)
- By mutual consent: it is enough to have the mutual consent of the parts
- It is a real effect because it produces the transfer of the object's property, or alternatively the purchase of another right.

COMPROMESSO / COMPROMISE: It is the act according to which the parts engage themselves to conclude the purchase and sale. The deed must report the following: the seller's personal details, the price and description of the property for sale, the paying conditions and the date on which the final Deed will be drawn up. The buyer's personal details can be filled in at the moment of the drawing up of the Deed. If the buyer intends to ask for a loan, a special clause has to be introduced allowing the buyer not to conclude the purchase if the loan is refused. This is also called "preliminare" preliminary or "promessa di vendita" promise of sale.

COMUNIONE DEI BENI / SHARED PROPERTIES - COMMUNITY OF PROPERTIES: According to this patrimonial form concerning the family, automatic, if a different will is not expressly stated, the purchases made by the married couple together or separately during the marriage belong 50% to each one of the couple, so as the profits of personal properties or activity. This patrimonial form does not include the properties each one of the couple had in its possession before the marriage, those acquired by gift or inheritance even during marriage and those of strictly personal use.

CONSEGNA ENTRO / DELIVERY WITHIN: Terminology of Real Estate: Date within which the property will be free for the use of the buyer.

CONSERVATORIA / CONSERVATOR: Conservator of the Registers of immovable properties: The place where all deeds relevant to immovable properties situated on the area of jurisdiction are kept.

CONTRATTO DI MUTUO / MORTGAGE LOAN CONTRACT: It is the Deed stipulated between the Bank, giving the loan, and the person asking for it at the presence of an Italian Notary. It contains all the rules referring to the loan, the fundamental clauses on the length and interest practised, the form of advanced refund, the interest on delayed payment.

DELEGA / PROXY: The legal proceeding of empowering to act as a substitute for another. It is essential in order to inform the people the proxy is dealing with, that he is authorized to do it by the person that has chosen him.

DOCUMENTAZIONE PER RICHIESTA DI MUTUO / DOCUMENTS FOR LOAN AND MORTGAGE REQUEST: Employment workers: copy of income declaration, certificate of civil status, certificate of residence. For entrepreneurs: copy of income declaration, certificate of registration at the Chamber of Commerce, certificate of civil status, certificate of residence. Everybody must also produce the necessary documentation concerning the property (certificate of the Land office, plan of the property, the Deed, etc)

DOMICILIO / DOMICILE: Place where the person has the principal center of affections and interests.

ESTINZIONE DI IPOTECA / EXTINGUISHMENT OF MORTGAGE: The extinguishing procedures are the following: 1) cancellation before the date of expiration on condition that the debt has been extinguished (when settled the person who has borrowed the money can ask the Bank the permission to cancel the mortgage, with the Bank's document it is possible to go to a Notary and ask for the cancellation of the mortgage); 2) when not renewed within 20 years.

IMPONIBILE / TAXABLE: The number used to calculate the tax. Concerning ICI the taxable for habitable units is given by the land registry income increased of 5% multiplied by 100.

IMPOSTA DI REGISTRO / REGISTRY TAXATION: This is a tax due by the buyer at the moment of purchase of a property, based on the land registry value given to the property. If buying from a private or a firm that does not deal with buying or selling properties, for the first house the aliquot is 3% of the declared amount in the Deed, for the other properties it is the 7%. In case you buy from a building firm or a firm dealing with purchase and sale it will be 129,11 Euro.

IMPOSTA IPOTECARIA E CATASTALE / MORTGAGE AND LAND REGISTRY TAXATION: If buying from a private or a firm that does not deal with buying or selling properties: for the first house there is a fixed cost of 258,33 Euro, for other properties it is 2%+1%. In case you buy from a building firm or a firm dealing exclusively with purchase and sale it will be 258,23

IPOTECA / MORTGAGE: The registration of a mortgage on an immovable property makes up a real right (guaranty) in favour of the Bank giving the loan, the Bank is assured from the risk of insolvency by the borrower who cannot pay the interests and /or the refund of the capital. This means that if the borrower cannot give back the money, the Bank will be allowed to sell the property to have back the money. If the borrower will be able to pay the rates at the end the mortgage will be cancelled.

ISCRIZIONE IPOTECARIA / MORTGAGE REGISTRATION: The registration of a mortgage is made in the town, village or place where the immovable property is located and it is done at the Registry of immovable Properties.

MANSARDA / GARRET: In terms of Real Estate: The space under the roof turned into a living unit.

MANUTENZIONE ORDINARIA / ORDINARY UPKEEP: It means repairing and reinforcing part of the structure, of the walls and of the roof of a building without any administrative formality. It is considered an ordinary upkeep to repair or replace windows and doors, to install or move inside movable walls, to check periodically the roof and paving, and to make works in the garden.

MANUTENZIONE STRAORDINARIA / EXTRAORDINARY UPKEEP: To carry out extraordinary works you will need a building project and the necessary authorization. The authorization could be a written approval or, after 90 days from having sent the request and no answer has been received, a silent approval. Extraordinary upkeep is when works such as the following are carried out: consolidation of the structure, renewal or replacement of parts of a building..

MAPPALE / MAPPAL: Unit used in the land office to show a portion of land or building.

MUTUATARIO / BORROWER: The borrower (or borrowers if more than one) is the person resulting as registered on the mortgage contract. He is the person with all rights and duties concerning the opening of the financing.

MUTUO / LOAN: It's the contract with which the Bank hands over a certain amount of money to the person (borrower), and the person receiving the amount engage himself to return the money and the interest within a determined period of time. The loans can be on fixed interest rate, variable interest rate or mixed interest rate. People allowed to ask for a loan: people of Italian nationality or of other nationality, residents or non residents, of age, with uninterrupted income, and those who have not been under protestation in the last three years.

NOTA DI TRASCRIZIONE / TRANSCRIPTION NOTE: A document testifying the registration of a purchase and sale Deed and the mortgage contract.

NOTAIO / NOTARY: It is a public officer, nominated by the State, charged with the duty to draw up private and public Deeds. The Notary also deals with a number of roles regarding Law administration.

PANORAMICO / PANORAMIC: In terms of Real Estate: living units situated on high levels or with view over a landscape or famous monument.

PERIZIA / EXPERT REPORT: Technical judgment made by a qualified expert; the expert (in Italy geometra or ingegnere) makes a valuation of the conditions of a building with special attention to its structure and function.

PLANIMETRIA / PLAN: The graphic plan of the building, normally in scale 1:200.

POLIZZA D'ASSICURAZIONE / INSURANCE POLICY: The insurance policy is a document stating the rights and obligations of the parts and the end of the contract. It contains the stipulating part, the insured part and beneficiary. The document mentions the insured service, the expiry terms or current liabilities, and also the stipulation's service, insurance premium and expiry date.

PRELIMINARE / PRELIMINARY: It's the contract with which the parts engages themselves to carry

out the purchase and sale. The contract must contain: the seller's personal details, the price and features of the property for sale, the payment form and the date of drawing up of the Deed. The buyer's personal details can be given during the final drawing up by the Notary. If the buyer intends to ask for a loan, an additional clause has to be included allowing the buyer not to be forced to fulfill the purchase and sale Deed if the loan is refused. This is also called "compromesso" or "promessa di vendita" (promise to sell).

PREZZO / PRICE: As a rule the price is agreed within the parts. The decision of the price can also be referred to an arbitrator. The sale is void if the price is not determined or determinable, implicitly or expressly.

PRIVACY / PRIVACY: It's the right, granted by Law, to protect personal information.

PROCURA / PROXY (POWER OF ATTORNEY): It's the contract according to which a person authorizes another to act as a substitute in his place. It is essential in order to inform the people the proxy is dealing with, that he is authorized to do it by the person that has chosen him.

PROMESSA DI VENDITA / PROMISE TO SELL: It's the contract with which the parts engages themselves to carry out the purchase and sale. The contract must contain: the seller's personal details, the price and features of the property for sale, the payment form and the date of drawing up of the Deed. The buyer's personal details can be given during the final drawing up by the Notary. If the buyer intends to ask for a loan, an additional clause has to be included allowing the buyer not to be forced to fulfill the purchase and sale Deed if the loan is refused. This is also called "compromesso" or "preliminary".

PROPOSTA DI ACQUISTO / PURCHASE PROPOSAL: With this contract the potential buyer makes an offer to the owner of the property. If accepted the proposal turns into irrevocable and will be improved with the "Compromesso" (compromise). It is important to include, in this contract as well, the clause according to which the buyer should not be forced to buy if the loan he asked for is refused. The contract will be completed when the person it is addressed to accepts it.

PROPRIETÀ / OWNERSHIP: It is the right to dispose of the thing in a complete and exclusive way within the limits established by Law.

RATA / RATE: Payment made periodically to extinguish a debt . The day of payment is decided in the contract. Generally the rate is made up of a share of interests and a share of capital.

REGIME PATRIMONIALE DEI CONIUGI / PATRIMONIAL SITUATION OF A COUPLE: Purchases made during married life, together / or separately by the couple, are considered shared by the husband and wife, unless they chose the form of separated property.

REGISTRAZIONE / REGISTRATION: When the document or contract is deposited in the Registry office for fiscal purposes. The registration of a document or contract can be important for private right also, because the date of registration represents the proof of a private writing. If not registered the document or contract does not lose its validity, but it cannot be produced for trial till it has been registered and a pecuniary sanction has been paid.

REGISTRI IMMOBILIARI / PROPERTY REGISTER: The property register controls the events of immovable properties. In particular it checks if a property has been sold or not to other people, if it is burden with a mortgage or benefits.

RENDITA CATASTALE / LAND REGISTRY INCOME: It is the estimate of income of an immovable property, during one year's period, based on the location of the property, on its category and class.

RESIDENZA / RESIDENCE: Place where a person has the regular dwelling.

RISOLUZIONE DEL CONTRATTO / CANCELLATION OF A CONTRACT: When one of the parts does not carry out his obligations, the other part can either ask him to fulfill the obligations or ask for the contract cancellation. In any case there has to be a compensation for damage. From the date the cancellation has been asked for, the defaulting cannot carry out his obligation anymore.

RISTRUTTURAZIONE /RENOVATION: See *manutenzione ordinaria e/o straordinaria* (ordinary and extraordinary upkeep).

ROGITO NOTARILE / DEED: It is the final contract of purchase. It is a public contract to be drawn up by the Notary that will care of transcribing the sale in the Property Register and inform the Land Registry about the change.

SAGGIO DI INTERESSE / INTEREST RATE: The rate of interest can be legale (legal) or convenzionale (conventional): the first is settled by the lawgiver; the second by the parts.

SALONE DOPPIO / DOUBLE LIVING-ROOM: In terms of real estate: the living-room created by pulling down a wall and unit two rooms.

SCADENZA / EXPIRY: A certain and future event within which the undertaken obligations must be carried out.

SEPARAZIONE DEI BENI / DIVISION OF PROPERTY: According to this patrimonial form concerning the family, each member of the couple maintains the exclusive ownership of what is bought during the marriage. The choice of this patrimonial form is done during the wedding or through public Deed.

SERVITU' / SERVITUDE: It's the right, concerning landed properties and urban properties, by which something owned by one person is subject to a specified use or enjoyment by another. The servitude is explained in the Italian Civil Code item 1027. The servitudes can be extinguished on the holder's request, for consolidation, if the holder of a servitude buys the landed property on which he has the servitude or if the holder does not use the servitude for twenty years (invalidated by prescription).

TAEG / TAEG: is the annual global interest; it expresses the effective cost of the financing considering all the obligatory expenses. It considers the loan granted, the interest rate and accessory components, expenses the client has to pay directly to the Bank. The TAEG includes: entry rate - rate interest - examination expenses - administration expenses - management expenses - posting of statement of account.

TARSU / TARSU: Tax paid for collecting and stocking of rubbish. The price paid is calculated on the surface of the property (square metres) multiplied by the aliquot decided by the Comune according to the type of buildings (house, shop, store etc.); the payment is normally done through sheets sent home directly from the Revenue Office one the year after the one of reference.

TASSO DI INTERESSE / INTEREST RATE: In percentage terms it is the sum of interest that the borrower has to pay back in an established period of time, to have the money (capital) requested.

TASSO FISSO / FIXED RATE: The interest rate is decided at the beginning and does not change anymore during the whole period of loan.

TASSO MISTO / MIXED RATE: The interest rate can be changed by the borrower several times during the period of loan, he can change from mixed to fixed rate and vice versa.

TASSO VARIABLE / VARIABLE RATE: The interest rate changes according to the trend of an index of reference bond to the cost of money. High index high rates, lower index lower rates.

TERMINE / TERM: The term is a certain and future event starting from which (initial term) or within which (final term) the effects of the contract must be carried out.

TRASCRIZIONE / TRANSCRIPTION: The transcription refers to immovable properties made at the Property Register; it is useful to let people know the juridical events of a real estate.

UFFICIO DEL REGISTRO / REGISTRY OFFICE: State office controlling and collecting taxes.

USUFRUTTO / USUFRUCT: The legal right of using and enjoying something belonging to another. The duration of an usufruct is temporary: if nothing is said it is intended for the whole period of life of the person benefiting the usufruct. The person can give his right of usufruct to someone else, he can allow a mortgage and rent the things forming the object of usufruct.

VALORE CATASTALE / LAND OFFICE VALUE: It's the value obtained by multiplying the land office value by 100. This land office value, revalued by 5%, is the base for all taxes of purchase and for the ICI. It is also the minimum price to use in a purchase and sale Deed.

VENDITA / SALE: The transfer of ownership of and title to property or goods from one person to another for a price. The sale is a contract by consent of the parties.