COLUMBUS INTERNATIONAL

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Buying a House: Guidelines for Foreign Nationals

Bridging the US and Italian Real Estate Markets

Our law permits foreign nationals to purchase real estate through the following pathways:

1. **Foreign nationals without legal residency:** May purchase property only if permitted by an international treaty or if a reciprocity agreement exists between Italy and their country of origin (meaning Italian citizens have equivalent purchase rights in that country).

2. **Foreign nationals with legal residency status:** Those with valid residence permits, family members of legally residing foreign nationals, and stateless persons in Italy for less than three years may purchase property without verifying reciprocity conditions if they hold residence permits for:
   - Employment (subordinate or self-employment)
   - Individual business operations
   - Family reunification
   - Humanitarian reasons
   - Study purposes
   - EC long-term residence permit (residence card)

3. **EU citizens, EEA nationals, and long-term residents:** Citizens from EU and EEA countries (Iceland, Liechtenstein, Norway), as well as stateless persons or political refugees resident for more than three years, face no special requirements for property purchases.

To determine specific documentation requirements, foreign buyers must first identify which category applies to their situation. For non-residents, the initial steps involve obtaining a Tax Identification Number (Codice Fiscale) from the Revenue Agency and opening a bank or postal account.

TAX STRUCTURE

First Home Purchase

From a private seller:

- 2% registration tax
- €50 fixed mortgage tax
- €50 fixed cadastral tax

From a construction company (within 4 years of completion):

- 4% VAT (22% for luxury properties)
- €200 fixed registration tax
- €200 fixed mortgage tax
- €200 fixed cadastral tax

From a construction company (after 4 years of completion):

- VAT exempt
- 2% registration tax
- €200 fixed mortgage tax
- €200 fixed cadastral tax

Second Home Purchase

From a private seller:

- 9% registration tax
- €50 mortgage tax
- €50 cadastral tax

From a construction company (within 4 years of completion):

- 10% VAT (22% for luxury properties)
- €200 fixed registration tax
- €200 fixed mortgage tax
- €200 fixed cadastral tax

From a construction company (after 4 years of completion):

- VAT exempt
- 9% registration tax
- €200 fixed mortgage tax
- €200 fixed cadastral tax

Document Translation Requirements

Italian notarial deeds must be accompanied by certified translations unless the foreign buyers formally declare their proficiency in Italian.

"First Home" Tax Benefits

Foreign nationals can access the same "first home" tax benefits as Italian citizens if they meet these requirements:

To qualify, buyers must declare in the deed that:

- The property is located in the municipality where they reside or plan to establish residence within 18 months, or where they work or their employer is based
- They do not own another residence in the same municipality
- They have not previously purchased property anywhere in Italy using "First Home" benefits (including purchases made by a spouse)

Foreign nationals with legal residence permits who are registered with employment offices or employed in Italy have equal access to public housing and subsidized credit for first home purchases.

Additional benefits include partial income tax deductions for mortgage interest and exemption from income tax on the property.

Mortgages

The Ministry of Foreign Affairs confirms that mortgage loans generally do not require separate verification of reciprocity conditions, as they are considered integral to the purchase transaction.

Business Operations

Foreign nationals may establish companies, associations, or conduct other operations under the same conditions as property purchases, noting that reciprocity agreements may apply selectively to specific activities.

Power of Attorney

When a buyer cannot be physically present, they may execute a power of attorney authorizing another person to complete the transaction on their behalf.

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REAL ESTATE CLOSING COSTS IN ITALY

Private seller or company (non construction company) selling

Property type	Registration Tax	Transcription Tax	Land Register Tax	VAT	Stamp Duty	Transcription Duty	Transfer of Registration
Home purchased for registered residence	2%	50,00 €	50,00 €	No	No	No	No
Second home	9%	50,00 €	50,00 €	No	No	No	No
Luxury home (cadaster type A/1)	9%	50,00 €	50,00 €	No	No	No	No
Other properties	9%	50,00 €	50,00 €	No	No	No	No

(Construction) company selling new construction or renovation less than 5 years

Property type	Registration Tax	Transcription Tax	Land Register Tax	VAT	Stamp Duty	Transcription Duty	Transfer of Registration
Home purchased for registered residence	200,00 €	200,00 €	200,00 €	4%	230,00 €	35,00 €	55,00 €
Second home	200,00 €	200,00 €	200,00 €	10%	230,00 €	35,00 €	55,00 €
Luxury home (cadaster type A/1)	200,00 €	200,00 €	200,00 €	22%	230,00 €	35,00 €	55,00 €
Other properties	200,00 €	200,00 €	200,00 €	22%	230,00 €	35,00 €	55,00 €

(Construction) company selling new construction or renovation less than 5 years after declared end of renovation/building work and opting for registration tax instead of VAT

Property type	Registration Tax	Transcription Tax	Land Register Tax	VAT	Stamp Duty	Transcription Duty	Transfer of Registration
Home purchased for registered residence	2%	50,00 €	50,00 €	No	No	No	No
Second home	9%	50,00 €	50,00 €	No	No	No	No
Luxury home (cadaster type A/1)	200,00 €	200,00 €	200,00 €	22%	230,00 €	35,00 €	55,00 €
Other properties	200,00 €	200,00 €	200,00 €	22%	230,00 €	35,00 €	55,00 €

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REAL ESTATE CLOSING COSTS IN ITALY

Land

Type of land	Registration Tax	Transcription Tax	Land Register Tax	VAT	Stamp Duty	Transcription Duty	Transfer of Registration
Land (no farmland) sold by a private owner	9%	50,00 €	50,00 €	No	No	No	No
Construction land sold by a company	200,00 €	200,00 €	200,00 €	22%	230,00 €	35,00 €	55,00 €
Land (no farmland nor construction land) sold by a private owner	9%	50,00 €	50,00 €	No	No	No	No
Farmland	15%	50,00 €	50,00 €	No	No	No	No
Farmland sold to a farmer with right of PPC benefit	200,00 €	200,00 €	1% (min. 200,00 €)	No	No	35,00 €	55,00 €
Farmland sold to a farmer without right of PPC benefit	9%	50,00 €	50,00 €	No	No	No	No