



How To Confidently Buy Property in

ITALY

Get your own slice of *La Dolce Vita*

Nikki Taylor

How to Confidently Buy Property in Italy

Foreword

“Italy is a dream that keeps returning for the rest of your life.” – Anna Akhmatova

This eBook has been designed to give you a sneak peak into what can be possible when thinking about creating a new life in Italy... “Buona lettura!” (Enjoy the read!)

Chapter 1. MY STORY

Have you ever taken a trip to Italy and had a piece of your heart stolen by the beautiful country in a way that made you think, "I want to own my own home here!" You are not alone, but when most people dream of purchasing property in Italy, the fear of what could go wrong overrides the dream. This is with good reason. Italy is famous for its beauty and is equally famous for its bureaucracy and corruption.

So it's really no surprise that many people dream of buying property in Italy but never go through with it for the fear of what could go wrong. The internet is rife with conflicting information, horror stories about shady estate agents, deals gone wrong, and people being scammed left and right. Imagine trying to manage a real estate transaction whilst you're in your own country and above all, not speaking the language?

And considering that most properties need some sort of home improvement or renovation, how do you even begin to start to think about that? Terrifying right? Well it doesn't need to be. After many years of working in the real estate and holiday rental industries in Italy and coming across countless clients expressing their fears and doubts about purchasing property in Italy, I decided to create a bespoke program.

A program designed to remove the doubt and uncertainty and replace it with passion and zest about an exciting new chapter in your life's journey. But before I go into that, let me share a bit about me, my story, and why I am the right person to guide you on this life changing journey of buying a property in Italy.

My Journey to La Dolce Vita

My love affair with Italy began nearly twenty years ago. At 21, I had moved to London from Perth, Australia and knew nothing of the world. My only foray into travelling was a trip to Thailand and the idea of Europe seemed so far-fetched that I had never seriously thought about it until moving to London with the idea of staying a few months and seeing how it went. I ended up staying twelve years.

I always had a fascination with Italy, but it wasn't until I went to Florence on a weekend getaway that something switched inside of me. The beauty at every angle, the architecture, the elegantly dressed women with their high heels clicking away on the cobblestones --- not to mention the incredible food, wine, and handsome men---made me fall in love with it. I was hooked. Growing up in Australia, which is a very young country from an architecture and historical aspect, I was totally in awe of Italy.

I remember marvelling at the Duomo in Florence and saying to myself, one day I am going to retire here. Considering I was 21 at the time, retirement was a long way off. It all seemed like a pipe dream and was quickly forgotten. I travelled a few times to Italy in the twelve years I lived in London and each time my love affair for this beautiful country grew and grew. The idea of living

there seemed so out of my reach but I knew I wanted to make it happen. It wasn't until December of 2013 when things started to fall into place. I was living back in Australia; I had moved to Sydney in 2012 and pretty much had the perfect life: An amazing apartment with harbour bridge view, an excellent social circle, a secure six-figure income working for one of the world's top investment banks.

But I was dissatisfied with my life and felt extremely burnt out from working in a high stress environment. My health was suffering. I felt like my soul was craving cultural nourishment. I wanted to live my life instead of being cooped-up in an office environment twelve hours a day. I wanted to immerse myself into a new culture, learn a new language, I wanted to fall in love with a dark-haired devastatingly handsome man. In my heart, I knew Italy was the answer.

I was 34 at the time and knew if I didn't make the move now it would never happen. I didn't let the fact that the only Italian I knew was "ciao bella" and various swear words that I won't mention stop me. I signed up for a six-week Italian course at the local language school in Sydney and started putting my plans into action. Most of my family and friends thought I was absolutely crazy to leave my secure life in Sydney to move to Italy where the economy is famously unstable and there was no guarantee that I could find work.

But lucky for me, and for you, I didn't listen to my head but my heart and at the end of 2014 I sold all my furniture and arrived in Italy with four suitcases. I started my Italian journey in Bolzano, a picturesque town on the far north east of Italy, on the Austrian border. If you love the mountains, then you would love Bolzano. It is incredibly beautiful with stunning backdrops of the Dolomite mountain range that looms over the town. Due to Bolzano's close proximity to Austria, it is a dual language town. Most people speak Italian and German. Considering that my Italian was next to nothing, I had to start absorbing the German as well, but I am someone that loves a challenge and above all loves to learn languages.

Shortly after my arrival in Bolzano I was lucky enough to land a job working for a luxury global real estate agency called Engel and Völkers, working in their marketing department. It was a far cry from my banking environment but I absolutely loved it. I always had a real passion for real estate and had renovated many a property in Australia so it was a perfect fit for me and my passions.

The Call of the Sea

As much as I loved living in Bolzano, it wasn't the place I had dreamed about when I was planning my move to Italy. It wasn't a city that felt "Italian" enough for me, due to its strong Austrian influence. As much as it was beautiful living in the mountains, I missed the sea. I grew up living by the beach in Australia so I decided to search for my perfect seaside home. Now with a coastline as stunning as Italy, trying to find my dream home by the sea was not going to be easy. Where should I go? There were so many options.

Sicily was really tempting, so many beautiful seaside towns, the cost of living was next to nothing in comparison to Bolzano but it just felt a bit too isolated for me. Calabria wasn't appealing for various reasons, I had been there many times on vacation but it was not enticing enough for me as a place to live all year round. My Italian teacher in Sydney was from Puglia, and I remember she had spoken about her hometown during our lessons and how beautiful it was. It had beautifully rustic countryside and an impressive coastline.

I got onto Google and started doing some research into Puglia beaches, towns etc and I was in love immediately. It had the most stunning crystal blue sea, cute little whitewashed cities on the beach and a relatively low cost of living. I was sold. I moved down to a little town called Monopoli in Puglia, which if you haven't been to, you definitely need to add it to your bucket list. Monopoli is an absolutely stunning town with Baroque style architecture, little cobbled streets and bright coloured buildings. It kind of reminded me a bit of Portobello Road in London, with all the coloured houses.

I remember my first stroll around the old town and I was just in awe of its beauty and it really brought tears to my eyes. I felt at home. Like this was the place I had been searching for when I dreamed about moving to Italy. Life in Monopoli felt like one long vacation, the days were beautifully warm, I spent most weekends at the beach and I felt really at home with the hospitality from the locals. The south of Italy is famous for its hospitality and friendliness, in comparison to the north where they are much more reserved and keep to themselves. I felt at home in Puglia almost immediately and I started my process of looking for a job. I wanted to keep working in the real estate industry as I absolutely loved it and one afternoon I was strolling through the city and walked past a door with a company sign on it written in English.

It was a company specialising in real estate and holiday rentals. Perfect! Just what I was looking for. I went into the office, introduced myself and asked to see the boss. He wasn't in but I obtained his business card and when I arrived home I sent an email with my CV. Later that week I was contacted by the CEO of the company and I started working in their Real Estate Division, managing all the international client queries and transactions.

An idea Was Born

Ever since moving to Italy, the entrepreneurial side of me was in overdrive. I knew that I didn't want to be trading in my time for money in a 9-5 office job. I'd been there, done that in London and Sydney and had the grey hair and the stress lines to show for it! I was always thinking of ways to service an untapped niche and create something totally unique and of value, but also in high demand.

During my day-to-day management and correspondence in my job, I was starting to see a pattern in the queries received. Many people had the dream of purchasing property in Italy, but they had a list of fears, apprehensions and doubts keeping them from doing it.

These are the most common questions that I received from clients all over the world: -

What is the property buying procedure?

- What are the costs involved in purchasing a property?
- How much return can I get on a Holiday Rental investment?
- How can I transfer money across to complete the sale?

And the list went on and on. It was then that a lightbulb went on inside my brain and I thought, what if there was a bespoke program designed to coach people the exact property buying procedure and more importantly, how to avoid coming across the common costly pitfalls that most people encounter? It was then that my ideas started to snowball very quickly.

I realized that to provide a totally holistic, independent and bespoke service, I needed to enlist the help of trusted industry leaders and create a rock solid and invaluable network for my future clients. Due diligence is imperative, especially with a complex topic such as the Italian real estate system. I knew in order to service my clients in the best way possible,

I needed to source people in the industry who were at the top of their game. The expat community here in Italy is very small, if someone does an amazing job everyone talks about it, same as if someone does a bad job then everyone talks about it. I undertook some intensive market research in the various expat/living in Italy groups and started taking note of who were the key players providing the members of the groups with the most value, being authentic and above all, professional. It wasn't long before I had a list of people who I wanted to work with.

All I needed to do was reach out to them, introduce myself, and ask if they would be interested in collaborating with me. Each person that I contacted about my idea of creating a bespoke coaching program all wanted to jump on board.

From big dreams and due diligence, Italy Property Consulting was born.

Chapter 2. HOW TO CONFIDENTLY BUY PROPERTY IN ITALY

Buying property in Italy can seem like such a romantic idea.....which can quickly turn into a downright and extremely costly nightmare if you do not have your wits about you and above all, have a trusted team of experts guiding you throughout the process. I can't tell you how many horror stories I read on the daily in the various expat forums but also, how much MIS-information is given out.

It costs absolutely nothing to receive free advice from a bunch of strangers on a forum but bare in mind, are these people actually QUALIFIED to be giving the advice in the first place? Social media can be an excellent tool for learning and educating yourself on various topics but let me ask you this; "would you purchase property in your own country without following the advice from professionals?"

I am guessing the answer is a big fat no. Then why think you can buy property in a country as complicated as Italy? It really is a recipe for disaster....almost as bad as my various failed cooking attempts here in the kitchen, but hey they are stories for another type of book!

I am going to run through with you some key pointers that you need to keep in mind when looking to purchase property in Italy.

1. Obtain your Codice Fiscale

The first step you need to take when purchasing property in Italy is to obtain a Codice Fiscale. This is a "fiscal code" and without it, you will not be permitted to purchase property.

The Codice Fiscale is like a tax code and you will need it for pretty much everything here in Italy; from opening up a bank account, to getting a mobile phone, and various other important things. What always makes me laugh is the chaotic way in which life is conducted here in Italy at times but the Codice Fiscale operation is a well run ship! Why? It is how you are taxed, and there are various taxes to pay when purchasing property here in Italy.

2. House Hunting

So now comes the fun part! The property search process! This is the part of my job that I love the most. I have always been someone who is obsessed with scrolling through the property portals and finding bargains, it's my favourite type of "online shopping".

So what are the most popular property portals?

www.idealista.it/en

www.gate-away.com

www.casa.it

www.immobiliare.it

You need to really be aware of when you are searching for properties in the portals, about the concept of legal & habitable space as a lot of the sqm and descriptions can be extremely misleading.

3. Legal Due Diligence

A property lawyer is crucial when purchasing in Italy. They are able to do the necessary legal due diligence on your behalf and help you avoid getting tangled into a property deal that will go sour thus assisting you to protect your investment. A property lawyer will be able to draft up the contract of sale based on various conditions that help protect your deposit, ensuring that the property sale only goes through if everything is structurally sound, legal, and there are no outstanding debts, zoning issues and so on. I cannot tell you how many "surprises" my clients have discovered during their property buying process all of which were uncovered by their property lawyer, who is able to inform them of their rights, and again, protect their investment.

4. Structural Due Diligence

In my free training "Purchase the Dream" I literally harp on about the importance of legal and structural due diligence like I am a broken record :)

However, they do go hand in hand and without the advice of a trusted lawyer and "geometra" (surveyor) what can seem like a fairly straightforward property sale, with no issues to the building can take so many twists and turns you feel like you've been on a rollercoaster.

The role of the geometra is to ensure the property is structurally sound and above all LEGAL. Many properties in Italy have had some sort of renovation works done to them, internal and external, extensions of the property and a lot of the time these works would not have had the required planning permission obtained by the local "comune" (townhall) thus rendering the property as "abusivo" (illegal).

So what are the implications of purchasing a property that is "abusivo"? It means that any sort of works that have been done by the previous owners that are abusivo become the new owners responsibility and that can mean paying fines to the commune and or pulling down the abusivo component.

So this is not really the ideal start to your new dream home right? Paying fines for someone else's issues and pulling down parts of a property you paid good money for?

Hence why having the property thoroughly checked by a geometra is crucial.

As mentioned the geometra works hand in hand with the lawyer and their role is to ensure that you, the client, is not at risk of losing your investment.

The Costs Involved in Purchasing Property in Italy

The costs of buying a property in Italy will differ from whether you are resident in Italy or not. Also, there are special tax privileges such as the 7% Flat Tax for retirees that is applicable for certain parts of Italy. I will delve further into that topic later in the book. If you purchase a property for agricultural purposes that is also subject to a different tax structure.

The taxation system in Italy is definitely not what one would call straightforward, so to have an English speaking accountant is an invaluable resource. The last thing you want is to go in blind and then get a nasty surprise from the taxation department later down the line! They aren't ones that will be sympathetic if you don't know the language or legislation. It is your responsibility to be in the know of what your fiscal duties are.

With any sort of property transaction it is imperative to do your research beforehand, and be fully aware of what you are liable for from a taxation perspective.

Where are the Best Places in Italy to Buy

Most people when they think about wanting to purchase property in Italy, they generally fall into these three categories:

- Retirement
- Lifestyle
- Holiday Rental Investment

Retirement

Now if you are looking to retire in Italy, it is possible that living in an area that offers excellent medical care is going to be at the top of your priorities. Generally speaking, the north of Italy offers a more superior healthcare system. But did you know that there is a special tax regime that was introduced in the 2019 Italian Budget Law creating an attractive fiscal incentive; the 7% flat tax regime on foreign income (including pension, property income, capital gains tax etc) for those looking to buy in the following regions:

- Abruzzo
- Apulia
- Basilicata
- Calabria
- Campania

- Molise
- Sardinia
- Sicily

To qualify, you must be willing to transfer your tax residency to municipality above, in a town that has less than 20,000 inhabitants. The law aims to attract foreign retirees and Italians living abroad for more than 5 years to move to and invest into the lower performing regions of the country. The retirees flat tax regime does not cover income that is earned in Italy. How can you get Italian Residency?

EU Citizens Every citizen of the EU has the right to move and reside freely in Italy. If your intention is to live in Italy longer than 3 months, documentation needs to be submitted to the General Register Office "Ufficio Anagrafe" at the Town Hall "Comune" where your property is located. **Non-EU Citizens** Non-EU citizens of certain countries require a visa to enter the country – if this is for longer than three months they should apply for the EC Long Term Residence Permit. For Retirees however, the relevant program would be the Elective Residence Visa (ERV).

Holiday Rentals

The topic of Holiday Rentals is close to my heart from my years of experience in working in the holiday rental industry. I have studied at length as to what constitutes a successful Holiday Rental and how potential buyers can maximise their yield. Being from a banking background I am always interested in how I can advise my clients to make the maximum returns possible.

Did you know that Puglia is the #1 researched region in Italy to purchase property as a Holiday Rental? Puglia has surpassed Tuscany to be the favourite amongst the foreign buyers. There are some great bargains to be had in Puglia, of which are able to be transformed into highly successful Holiday Rentals with the right guidance.

Property prices in Puglia are on the rise though! Luxury fashion house Louis Vuitton have purchased a "masseria" (farmhouse) to transform it into a €1000 a night hotel and the Four Seasons are building a 150 room hotel near Ostuni. So now really is the time to get the ball rolling in order to snap up any last minute bargains in Puglia before it becomes priced out of the market!

How to Organise a Successful Viewing Trip

So you have discovered your dream property online. You have scoured the internet and feel that you know the area well from all the research you have done and you decide to book a trip to view the property. A couple of tips to be aware of which will ensure that you are buying the right property. If you are looking at this property as an investment for a Holiday Rental, take your time

to check out the entire town. Would you want to go there on holiday? Are there enough amenities? Do you have to drive 20 mins just to get a coffee or buy groceries? Are the roads in good working condition? What are the neighbours like? Visit the property at different times during the day to really get a feel for what it would be like for your potential guests going there on holiday. Chances are if it's not somewhere you would like to stay personally and feel comfortable for a week or so, then it's unlikely that others would too. Be sure to check things such as damp spots, mould, cracks and stains on the ceilings and walls.

Open and close the doors and windows and make sure they are functioning well. Test the sockets and switches and make sure they work. This all may seem totally obvious but let's not forget that a property purchase is an emotional thing for most. Some people can get so caught up in what they feel about a property and their vision, that the practicalities can be overlooked. It is these practicalities that need to be considered because if you buy a property on a whim because it looks cosmetically beautiful but do not have the property properly checked out, then it could unfold into some costly renovation works down the line. If the property is furnished you can't assume that the furniture will be included in the sales price. Make sure you check with the agent what is going to be taken away and what you can negotiate to have included.

If you are buying a property that is already used as a Holiday Rental then make sure you ask for the previous two to three years rental income earned and what the gross and net rental yield is, after the Property Management fees have been deducted. Do your research and check where the property is advertised as a Holiday Rental and read up on the reviews given from previous guests. Obviously if there are plenty of bad reviews then take that into consideration that it could be the same problem for you as well if you intend to rent it out on the Holiday Rental market.

How to Mitigate Currency Risk

Buying a property in a different currency always comes with its risks. Fluctuation in rates and instability in the market can have a serious knock on effect on real estate transactions. Imagine you have found your dream property but by the time you are about to exchange contracts, the currency rates have dropped so much you have had to pay extra and you run the risk of no longer being able to afford the property? It is vital to consult with an experienced currency expert who can advise you of a plan of action to lock in currency at a fixed rate for a period of time, so you can have the peace of mind knowing that your future property deal is secured.

Our InHouse currency team offers an obligation free consultation to see how it is they can best assist you. Our InHouse currency team are on hand to provide an obligation free consultation to all the members of the community if they desire. Holiday Rentals If you are looking to purchase property in Italy with the view to transforming into a successful Holiday Rental business then I can tell you from experience it is totally possible.

But not without its costs involved. To run an AirBnb business there are several taxes that you would need to pay, and this is covered in the tax element of the program plus if you are not

going to be living in Italy and managing the property yourself, you will need to factor in costs of Property Management.

Now Property Management fees can range between 25-40% of the rental income earned. That might seem totally staggering for some, but having a reliable Property Manager is an invaluable resource. Imagine trying to deal with burst pipes, electricity blackouts, floodings or pool issues outside of the country? It's a nightmare. Let's not also forget day to day tasks such as cleaning and changing of bed linen and towels etc. So as much as it does eat into your rental income profits, it is definitely worth evaluating the fact of hiring a Property Manager.

Holiday Rental Home Staging

Did you know that the Holiday Rental industry exceeded \$38B worldwide in 2018? More and more people are opting for a Holiday Rental over traditional hotels. People want to feel a home away from home but with more luxury comforts. And the fact the Holiday Rental industry is booming and especially in Italy, you want to make sure that you go the extra mile with furnishing your property. I am not talking about extravagance but being smart with your furniture choices, using quality and sustainable materials that will stand the test of time. Have you thought about who your ideal client/guest is? What their struggles are when looking for a potential Holiday Rental? What are their likes/dislikes?

Peace of Mind

I know that in some parts of this ebook it might seem like I am going through the worst case scenarios. I am not trying to scaremonger or put anyone off. But I want the readers of this book to understand that these sorts of worst case scenarios happen regularly in the real estate industry here in Italy. Yes there is the exciting side of buying a property in Italy, sipping a Spritz in your local piazza, buying fresh produce and enjoying incredibly good food and wine at a third of the cost of what it would be in your own country.....all of these things are possible in Italy. But let's not forget that Italy is a beautiful chaos and full of bureaucracy.

So to be guided by people who not only speak your language but also speak Italian is an invaluable resource. Having someone guiding you that is acting as a bridge between both cultures to help create a smooth property transaction is vital. Especially if you are based in another country and not able to manage the property transaction/renovation, you need to have that peace of mind knowing that you are being guided by people that you can trust. It is for this sole reason why I designed my business. To help remove the fear and doubts that people have regarding purchasing property in Italy and to replace it with a new found passion of your exciting new chapter in life!

If you are in the very beginning stages, I highly recommend that you take a look at my FREE 3 Day Training called "Purchase the Dream", where I go into even more detail as to the pros and cons of purchasing property in Italy.

This training is designed to give you the best head start and some clear, actionable steps that you can follow and above all the tools to ensure that you do not fall into the costly pitfalls that many foreign buyers come across.

Chapter 3. PURCHASE THE DREAM

I created my FREE 3 Day Training "Purchase the Dream" with the viewpoint of giving YOU the best headstart possible in order to get the ball rolling towards making your Italian dream an achievable reality! The training is split into 3 sessions and can be accessed by clicking the links below:

Day 1

<https://www.youtube.com/watch?v=fAJ20DV9usw&feature=youtu.be>

Day 2

https://www.youtube.com/watch?v=WuNrpx1_-o

Day 3

<https://www.youtube.com/watch?v=q5fifQP6km4>

This training is a HEAP of fun.....I hope you enjoy it as much as we had fun filming it!

Chapter 4. Contact Me

If you have gotten to this part of the book it means that I have held your attention and that is a great start! If you would like to join my free online community “How to Confidently Buy Property in Italy” then click on this link : <https://www.facebook.com/groups/2433791586902154/>

For all information on my work and bespoke consulting services please feel free to contact me via email at: nikki@italy-propertyconsulting.com

For more information visit my website: www.italy-propertyconsulting.com

We have entered into a new decade. Now is the time to put those dreams into action of purchasing a property in Italy and I for one would love to be able to guide and support you through this incredible life changing journey.

Here is to you creating your own slice of La Dolce Vita!

A presto!

Nikki