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## 1 Lodging

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To live in Italy the foreign citizen must be offered a guarantee of lodging. Lodging can be offered to the foreign citizen by anyone through hospitality or can be accessed through renting or buying a house. In the case of problems in meeting lodging needs you can be hosted in reception centre.

### **200. I am hosted by relatives/friends, do I have any obligations?**

Not you, but those who host you. Whoever that, for any reason, provides lodging to or hosts foreigners in his/her own house, is required to inform the police authorities (through a declaration of hospitality) in the following cases:

- one lends or gives the gratuitous use of an immovable property or part of it to a foreigner;
- one transfers the ownership of a property, with the personal data of the seller and the purchaser;
- one also partially assigns, for lodging purposes, a property located in the Italian territory.

### **201. Does this obligation regard all citizens/firms?**

Yes, with the exception of the Sacred College and the Diplomatic or Consular Staff, every citizen or association, private or public, must inform the Police authorities, even if the foreign people being hosted are relatives, friends, etc.

### **202. How shall the communication be performed?**

The communication shall be in writing within 48 hours, also through a registered letter with acknowledgement of receipt, to the local competent police authorities. The non-compliance with the obligations to communicate the host entails sanctions (payment of a fine)

**Attention:** Law no. 99/2013 states that the notification by those who provide an abode or host foreign nationals shall be made, in case the foreign national is a worker employed by the owner of the accommodation, through the compulsory employment notification.

### **203. To whom do I have to send the communication?**

- To the Police Headquarters in Province capital cities;
- To the Town Hall, in municipalities that are not province capitals.

### **204. What data must I include in the communication?**

- The personal data of the person offering the lodging (name, last name, date and place of birth, residence);
- the personal data of the foreign guest (name, last name, date and place of birth, residence, the type of identity document used, the number of the document, the date and place where the document was issued);
- the exact address of the immovable property in which the foreign people will be guests;
  - how is the property assigned for example, as a rental, on gratuitous loan, in ownership, etc.; or simply the declaration of hospitality with no profit purposes.

**Attention:** According to Law 94/2009, anyone who hosts in exchange for money, or rents a property to a foreign national with no residence permit or with an expired and non-renewed permit, is punished with imprisonment from six months to three years. Once the sentence becomes final, the property is seized, unless it belongs to someone not connected with the crime.

## **1.1 Renting a house**

### **205. What shall I do to rent a house?**

It is necessary to sign a house rental contract. By means of such contract, the owner of a house undertakes to grant to others a property for housing purposes and for a fixed-term period, upon payment of a rental fee, usually paid on a monthly basis. The sum due as rental is adjusted every year on the basis of the ISTAT index and increased of an amount corresponding to 75% of such index.

### **206. What is the caution money?**

It is a sum that the tenant pays to the landlord in order to guarantee to the landlord that the tenant will not damage the house. The caution money cannot exceed the sum equivalent to 3 months of lease. If the house does not suffer any damages, the cautionary deposit is returned in its entirety to the tenant at the end of the contract in addition to the interest accrued while the contract was valid.

### **207. How shall the rental contract be drafted?**

The law requires rental contracts to be stipulated in writing and to correspond to specific typologies. The rental contract establishes:

- how much the tenant has to pay the landlord every month;
- how long the tenant can occupy the house;
- what day of the month the rental must be paid, how, and where.

The two main type of contracts regulated by Law 431/98 include:

- the free rental contract follows the rental market. The amount of the rent is established by the market parameters of demand and supply. The rental contract duration by law is 4 years and it is subject to silent renewal for 4 more years, if it is not cancelled 6 month before it expires. It can be cancelled also at the end of the initial 4 years, in the case of special needs of the tenant or his/her family and relatives up to the second degree, or when structural maintenance interventions are needed.
- the arranged contract is defined through a negotiation between the Trade Union of Landlords and Tenants with the participation of representatives from the Municipalities. Its duration is 3+2 years. By adopting this typology of contract, the landlord and the tenant can avail of a deduction of taxes equal to 30% of the due sum indicated on the income tax statement, and as an incentive from the Municipality, a discount or zeroing of the municipal property tax (IMU).

### **208. Is contract registration compulsory?**

Yes, by law the landlord must register the rental contract at the Registry Office within 30 days from the signing of the contract. The registry tax is equal to 2% of the rental due in a year. Half of the cost for registering the contract is paid by the landlord and the other half is paid by the tenant. Every year the recording has to be renewed. In the case of contracts that are valid for more than a year you can pay the register fee at once for the entire period of validity of the rental contract, in which case you get a reduction on the fee.

Furthermore, once the contract is legally registered, underprivileged renters can apply to the Municipality to receive a contribution to pay the lease, according to their income and the incidence of rental fees on it.

**Attention:** If the contract is not registered, it is not valid to show the availability of a suitable housing for the purpose of the renewal of the residence permit.

## **1.2 Purchasing a house**

### **209. Can I purchase a house?**

Foreigners with legal permits to stay for employment or family reasons, or with a legal EC long-term residence permit, can purchase the residence according to the same conditions as Italian citizens.

Others, however, may only purchase a house if there is a specific agreement between the country of origin and Italy. If you have never bought a house and you are purchasing one for the first time, you can avail of a tax break.

#### **210. Which documents do I have to sign in order to purchase a house?**

- A purchase offer, through which you agree on the price of the house with the seller and fix the price through an irrevocable purchase offer, paying a deposit;
- the agreement or promise to sell, which is a preliminary contract through which the parties agree that they will enter the deed (the buying and selling contract), setting the date, if it is not possible to sign the contract at once. When signing the agreement to sell, people usually pay a fraction of the price of the house, though this is not mandatory;
- the public deed, which is the buying and selling contract, through which the property of the house is transferred, is stipulated in the presence of a notary, and in the presence of the seller and the buyer, and is written in the due public form.

#### **211. What is a mortgage loan?**

If you do not have access to the entire sum necessary for acquiring the house, you can request a loan by asking to take out a mortgage at a bank. The bank, to give you the loan, requires a guarantee, placing a constraint on the house that has been bought (the mortgage, described below). If your income is not sufficient to pay the mortgage instalments, the bank requires a guarantee from a person or an organisation that is personally bound to guarantee that he/she/it will pay back your debt with his/her/its own property. The mortgage is a formula that allows the bank, in the case in which the loan instalments are not paid, to appropriate the house and also to sell it in order to recover the money paid in advance.

In the case you are buying a house for the first time it is possible to have access to a loan on assisted terms that provides for lower interest rates in comparison to those that are usually applied by banks.

**Attention:** if you are thinking of taking out a mortgage, check with the bank to make sure you have the requirements for obtaining the sum that you need before making a purchasing offer.

#### **212. What are the conditions required by the bank to grant a loan or a mortgage?**

To grant a loan or a mortgage, banks ask for guarantees:

- your income tax statement;
- the automatic payment of the applicant's salary to his/her bank account (in some cases this is not mandatory);
- personal or property guarantees.

#### **213. What shall it be specified in a contract to access a mortgage loan?**

The main conditions specified in the mortgage loan contract are:

- in how long will the money be repaid (5 to 30 years), also in consideration of the applicant's age;
- which interest rate is applied. The maximum interest rate is defined by the law, that prohibits applying usury rates; the interest rates are established with various deadlines (monthly, trimester, etc.) and on the base of reference indices published in the main newspapers (for example the index EURIBOR or EURIRS) in addition to a further cost applied by the bank which differs from institute to institute, called SPREAD;

- what is the instalment to pay and the repayment plan (how often are payments made); the instalment shall be sustainable as compared to the applicant's level of income;
- the amount of penalties for early settlement of the mortgage loan.

**214. Who drafts the contracts related to the mortgage and the house?**

Both the "buying and selling" contract for the house and the contract for the management of the loan/mortgage must be drafted and registered by a notary.

**215. What taxes and expenses will I have to pay when purchasing a house?**

- Registry tax (with facilitated conditions for those who are buying a house for the first time);
- If the property is purchased from a company, also the Value-Added Tax (VAT);
- Mortgage tax;
- Cadastral tax;
- Notary expenditures relating to the buying and selling contracts, and mortgage granting.

**216. What expenses do I have to face as an owner or tenant of a house?**

You must pay the utility bills (gas, electricity, water, heating, telephone (if installed), expenses for the common spaces in the condominium, if they apply). These bills are monthly or bimonthly. A tax for garbage collection must be paid once or twice a year, besides the Municipal Tax or other tax on real estates.

### 1.3 Reception Centres

**217. What are the reception centres?**

Receptions centres are facilities that, within the limits of the room available, guarantee a series of social and assistance services and provide temporary lodging to foreigners that are temporarily not in the condition to meet their needs of lodging and livelihood autonomously, with the purpose of promoting their social insertion in the shortest possible time.

**218. Can I access Reception Centres?**

Only if you are a foreigner with a legal Permit to Stay and pending employment and family, but do not have the possibility of finding a house on your own.

**219. Who does not have the right to enter the reception centres?**

- Foreigners who do not have a Permit to Stay, that is, who are illegal, with the exception of situations of emergency (established by the mayor);
- foreigners who have permits to stay for tourism, study, business, medical treatment and other types of short duration permits.

**220. Is the lodging at the reception centres free of charge?**

It may be free or subject to the payment of a rental fee.

**221. Do I have any obligations when I am a guest in a reception centre?**

Yes, the rules of the centre shall be complied with.

## **Public residential housing and building cooperatives**

### **222. What is the public residential housing?**

These are houses built with public funds and therefore belonging to public authorities, destined to residence purposes.

### **223. Who has access to the public residential housing?**

Foreign nationals with a residence permit and foreigners regularly residing in Italy and owning an at least two-year residence permit and that perform a regular employed or self-employed activity are entitled to access, on the same grounds as Italian citizens, to public residential housing and to the intermediation services organised by regional governments or local authorities to facilitate the access to houses and to soft loans in the field of building, purchase and rental of one's first house. (ex art. 40 legislative decree 286/1998.)

### **224. What are the procedures for accessing public residential housing?**

Those who wish to access public housing shall submit their application to the Municipality of residence in a suitable form through registered letter with acknowledgement of receipt. Houses are assigned according to a public list drafted on the basis of the economic, family and housing situation of the people/families that submitted their application. For any information, please contact the Office for Relations with the Public of your Municipality.

### **225. What is a building cooperative?**

A building co-operative is a corporate body that works to construct or purchase residences designated for its members. Members shall have specific requirements (residence in the municipality, low income, not owning other properties, etc.).

Purchasing a house in cooperative is generally advantageous since cooperatives benefit from tax and credit facilitations.

### **226. Can I participate in a building cooperative?**

Yes, foreign nationals can be members of a building cooperative.