Buying Property in Italy as an American: The Legal Process Explained

Americans can buy freehold property anywhere in Italy without a special permit or visa. What you do need is a **codice fiscale** (the Italian tax identification number, roughly equivalent to a Social Security number for legal purposes) and a solid grasp of the legal sequence. Rush or skip any stage, and the costs can far outstrip whatever you saved on legal fees.

Italy's purchase process runs through a series of stages: the initial offer, the preliminary contract, due diligence, the notary deed, and tax settlement at closing. Here's what each one actually means for you.

Eligibility: Americans can buy, and here's the legal reason

US citizens have full reciprocity with Italy under Article 16 of the Italian Preleggi (the Preliminary Provisions to the Civil Code). Because Italians can purchase US real estate freely, the reciprocity condition is met automatically. The **notaio** (notary public) will verify your nationality against the Ministry of Foreign Affairs database before the deed closes, but this is a formality, not a barrier.

A straightforward purchase takes roughly 9 to 12 weeks from accepted offer to closing, though complex transactions can run up to 180 days.

The importance of due diligence

Legal certainty must be established through documentary verification before the deed is executed, and it cannot be remedied afterward. That makes pre-rogito due diligence the most important work in the entire transaction. Legal verification takes time, and in Italy there is no title insurance to catch problems after the fact.

A thorough review covers:

- **A 20-year title continuity search** at the Conservatoria dei Registri Immobiliari, to detect undisclosed liens, hidden mortgages, and gaps in the ownership chain
- **Stato legittimo verification**, confirming the structure matches its approved building plans
- **Building, zoning, planning and cadastral compliance**, checking for **abusivismo edilizio** (unauthorized construction)

- **Condominium clearance**, if applicable: buyers inherit the previous owner's unpaid condominium fees for the year of sale and the year before it, so written clearance from the condominium administrator is essential
- **Energy performance certificate (EPC)** issuance

Any one of these can create serious liability if missed.

The proposta d'acquisto (your first binding commitment)

Your first written offer, the **proposta d'acquisto**, is a contractual commitment, not a casual expression of interest. It takes the property off the market and assumes the purchase of the property upon successful completion of due diligence checks. An initial deposit is paid at this stage. The deposit amount is set by the buyer, and can be a fixed amount (e.g. €5,000) or a percentage of the purchase price (as much as 10%).

The proposta d'acquisto is signed by the buyer. If the seller accepts and you withdraw, you typically forfeit the deposit paid at this stage. Most buyers don't realize the obligation is real until they're already in it.

The compromesso and your deposit

The **contratto preliminare di compravendita**, known as the **compromesso**, is signed and executed by both parties. Not every property purchase or sale includes thisstage. If there are no - or very few and straightforward - issues or discrepancies, it can be skipped and the property transaction moves straight to the rogito.

If a compromesso *does* feature in your property transaction, a further deposit of 10 to 20% of the purchase price is paid. The commitment runs both ways: back out and you lose the deposit; if the seller backs out, they owe you double. Registration of the preliminary contract carries a fee of 0.5% of the deposit amount.

The rogito and what the notaio actually does

The **rogito** (also called the **atto notarile**) is the final deed that transfers legal title and triggers your tax obligations. The notaio who executes it is a state-appointed public official. That role matters: the notaio authenticates the transaction for the Italian state. The notaio is impartial, and represents neither the buyer nor the seller. Assuming otherwise is one of the most expensive misunderstandings foreign buyers carry into the process.

You choose the notaio as the buyer, and you pay the notaio's fee.

If you can't travel to Italy for closing, a Procura Speciale (notarized and apostilled power of attorney) is the standard mechanism. Your Italian lawyer appears before the notaio and signs on your behalf. Italy does not allow remote digital closings, so in-person execution, by you or your legal representative, is required.

Taxes and closing costs

Plan for total acquisition costs of 9 to 15% above the purchase price, depending on property type and buyer status.

Registration tax when buying from a private seller:

- Second home or investment property: 9% of cadastral value, minimum €1,000
- Prima casa (first home designation): 2% of cadastral value, minimum €1,000

Here's an important detail: cadastral value in Italy is typically 30 to 50% below market price. Registration tax is calculated on that lower number, not on what you actually paid. Your effective tax burden is considerably smaller than the headline percentage suggests, which matters when you're comparing Italy to transfer taxes in US states calculated on the full sale price.

If you buy from a developer, VAT replaces registration tax: 4% for prima casa, 10% for a second home, 22% for luxury properties, all calculated on the full purchase price.

Other standard closing costs:

- Cadastral tax and mortgage tax: €50 each (fixed amount for private seller)
- Notary professional fee: €2,500 to €6,000+
- Italian real estate fees: can vary significantly and are set by the realtor
- Power of attorney: included within legal fees
- Sworn translator: €500 to €1,500, often included in a law firm’s services

The prima casa 18-month rule deserves a separate note. Foreign buyers can claim the 2% rate by committing to transfer Italian residency within 18 months of the deed date. Miss that deadline and Italy's tax authority (Agenzia delle Entrate) recovers the difference between the 2% and 9% rates, plus interest and a 30% penalty.

Three risks that catch American buyers off guard

Abusivismo edilizio. Unauthorized construction, built without planning permission or in breach of approved plans, is particularly common in southern Italy and coastal zones. Consequences range from administrative fines to demolition orders and an inability to resell. Regularization through a **sanatoria** typically costs €5,000 to €50,000 or more, and the process can take years. No insurance product covers this risk. Pre-contract verification of stato legittimo is the only protection.

Hidden debts. Mortgages and liens not disclosed by the seller can survive the transfer if they aren't caught in the 20-year title search. Unpaid condominium fees follow the property, not the seller, for the current and prior year.

Signing before due diligence is done. This is the single most common mistake foreign buyers make. The proposta and the compromesso both create binding financial obligations

quickly. Once you've signed, unwinding a problem becomes legally complicated and expensive.

Working with My Lawyer in Italy

My Lawyer in Italy is an Italian law firm founded in 2014, led by Managing Partner Arturo Grasso, with a team of 20 professionals and over 300 active cases. The firm works specifically with international clients, including American expats, retirees and US-based investors buying property from overseas.

Their representation supports property clients from start to finish: obtaining your codice fiscale and Italian bank account, in-depth due diligence, contract review and signing, notary coordination, and full closing representation through power of attorney. For Americans who can't be in Italy for every stage, remote representation at every step is standard practice.

Nancy, a Los Angeles attorney who went through the process with them, described Arturo and his team taking her through each step of a complicated legal process. You can read more reviews of the firm on Google.

If you're planning to buy property in Italy from the US, contact My Lawyer in Italy before you make your first offer. Having legal counsel in place at the proposta stage, before any binding obligation exists, is the single step most likely to protect both your deposit and your investment.