

# RENTING IN ITALY

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## WHY RENTING IN ITALY CAN BE A GOOD OPTION FOR YOU

Renting in Italy is a great alternative to buying. Although buying can be a good investment, give you more stability and choice, it is also expensive and unless you have cash, getting a mortgage can be difficult. Renting is also a great way to “test the waters” without having the commitment of homeownership.

If you don't like where you are living, simply move on - no strings attached.

You may consider renting first in your favorite area and then spend your days searching for a property to buy or even discover some areas that you are curious about.

There are many reasons that you may choose to rent in Italy.

However, as in everything in Italy, there is bureaucracy and process that can make this simple transaction rather complicated.

In this booklet we are going to talk about how to search, find, negotiate, and rent a property successfully.

We will also talk about leases, what your obligations are, what you can expect from the owner, and finally some definitions of common terms that will come in handy.

## THE PROCESS

Learn the process that you must complete to search, negotiate and rent a property in Italy.

## THE CONTRACTS

Learn about contracts, termination, rights and responsibilities of both the renter and landlord in Italy.

## THE TERMS

How to negotiate the best terms, what you should look out for and tips on how to save money.



## TYPES OF CONTRACTS

There are three (3) different types of lease terms that you will encounter as a renter in Italy.

### RESIDENTIAL 4 + 4

This means 4 year rental term with 4 year renewal option. This is a standard rental lease where the owner and renter can negotiate the rental amount

### RESIDENTIAL 3 + 2

This means a 3 year rental term with a 2 year renewal option. This lease is not available in all areas and is usually designated for properties where the rent for the property is a little lower than average and where the owner can opt for special tax incentives.

### TRANSITORIO 1-18M

This is a lease that is often used by people who intend to rent for a limited time and used for student visas or work transfers etc. The lease cannot be renewed and can only be for the maximum duration of 18 months.

## THE RENTAL PROCESS

Italy is a country of homeownership. Recent studies point to over 80% of Italians own property, but don't let this number fool you. Owning and "living" in your owned property is not always the same.

Italian inheritance laws demand that property must be passed on to the children and further down the line when the owner passes. This means that many properties can have many owners who never live in the property nor have any intention to do so.

Instead, they choose to rent their properties to help pay for the taxes and upkeep of the buildings.

### The rental process goes in this order:

- Search for a property online or through word of mouth
- View the property (in person or virtually)
- Make a formal offer
- Sign the contract
- Set up Utilities and move in



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*Short term  
touristic rentals  
will not qualify  
for any Visa or  
residence*



# WHO CAN RENT PROPERTY AND WHAT DOCUMENTS DO YOU NEED?

Anyone can rent a property in Italy as long as the owner is willing to rent it to you. You do not need to be a resident or have a Visa. You can rent a property and only use it for part of the year or as your main residence, it is up to you.

In order to make an offer and register a lease in Italy you will need the following documents:

- Passport or Country ID
- Codice Fiscale

The owner may also ask for the following documents to evaluate your ability to pay:

- Work contract
- Payslips
- Pension statements
- References

It is a good idea to have these documents ready to provide the owner should they ask (which is very likely).

Ask if you can meet the owner in person so that you can explain your situation and make a connection. Putting a face and a smile to a name can help the owner get over his fear and trust you



Finding a good rental in Italy is a combination of persistence, flexibility, patience, and luck.

Many people are now advertising online for rental properties which makes it easier, but there are still many properties that are not advertised and only found through word of mouth.

The most successful finds are a combination of online searching, spreading the word in the local area and engaging the help of a local agent.

## Starting Your Search Tactics

The search can be the best and the worst part of finding an apartment to rent. It is always fun to scroll through endless listings online but frustrating when the agent does not return your messages, so again patience and persistence will pay off.

Property listings in Italy are not always what they seem and often will have incorrect sizes, no addresses, descriptions, or horrible pictures so you will have to be a little bit of a detective to find more information on a short-listed property.

Many properties are listed by multiple agents on multiple websites and where one advertisement may have 2 pictures and a short description, you may find the same property on another site with lots of great information.



## GOOD SITES TO CHECK FOR RENTALS

[www.immobiliare.it](http://www.immobiliare.it)

[www.casa.it](http://www.casa.it)

[www.idealista.it](http://www.idealista.it)

[www.mioaffitto.it](http://www.mioaffitto.it)

[www.subito.it](http://www.subito.it)

You can also join Facebook groups that help with long-term rentals. Often you can connect directly with owners through social. Contact friends and family or casual acquaintances that you may have met on a trip in the past.

Never forget, Italy is built on relationships, when looking for the perfect property, you will need to tap into everyone you know.

# SETTING YOUR BUDGET

When you are thinking about your rental budget be sure to account for the costs of utilities, garbage tax, maintenance, currency exchange fluctuations, and potential condo fees.

Some properties may meet your budget but the heating costs will double the expenses.

A good rule of thumb is that city connections (gas/electric/water) are less expensive than propane which you will find in country properties.

Always ask the agent or owner the source of heat and what the past costs are of the utilities and garbage tax and factor those into your budget.



## THE REAL COSTS OF RENTING

Renting on the surface may seem like a more affordable option when looking for a new home in Italy, but it is easy to overlook the amount of up-front cash you will need just to get the keys in hand.

Early on in the negotiations, we recommend that you ask the agent what deposits the owner wants. You will want to know if they need a fideiussione bancaria (see below) or just a regular damage deposit.

This requirement can make or break a good deal for you. Don't forget that you may need to buy furniture, new appliances, and even a kitchen if there is not one already installed.



Unfurnished apartments often do not include the kitchen. You will have to buy and install your own kitchen which you will take with you when you move.

The good news is that a nice average size kitchen in Italy only costs between 2000 – 5000 euros.

# Let's Look at Numbers

Below is a common scenario for costs to rent a one bed apartment in the center of Florence, Tuscany with and without a fideiussione bancaria.

- €1000 Deposit upon offer acceptance (1 month)
- €2000 Damage Deposit upon signing of the contract (3 months with deposit credit)
- €1000 First month rent
- €1000 Agent commission 1 month (or 15% of first years total for agents in the North)
- €200 Set up fees for new utilities for all
- €6-12,000 Fideiussione bancaria (rental insurance if required)
- €180-360 Fideiussione bancaria bank fees 3%

Total Cash Up Front

**Total cash output to get the keys in hand**

**€10,000 – €22,000 (with Fideiussione bancaria)**

**or**

**€5,200 without**

# Monthly Operating Costs

Costs to operate a 650 sq ft apartment in the center of Florence (averages) 1000 euro / month (furnished)

- €65 Utilities Gas month (average across the year)
- €45 Electric per month (average across the year +
- €65 euro tv tax per year
- €30 Water per month (average across the year)
- €350 Garbage tax (2 people) per year
- €30 Internet per month

# Agents Costs

If you engage an estate or rental agent you will be expected to pay commission. The commission is typically one month's rent or 15% of the total yearly fee paid one time.

A good agent will help you find a property, negotiate with the owner, write the contract and represent your best interests. Once the contract is signed, they will also register it with the Comune. The commission is normally due at the signing of the contract and is plus tax (22%).

**Eg. Rent is 1000 /month**

Commission is either  $1000 + \text{VAT } 22\% = €1220$  or  $15\%$  of the yearly rental rate ( $1000 \times 12 = 12000 \times 15\% = 1800 + \text{VAT } 23\% \text{ } 396 = €2196$  euro)

Tip

If you are using an agent, be sure to ask them at the start what their commission rates are so there are no surprises.





The bank cost is typically 3% of the total amount per year.

## The Fideiussione

You will definitely see and hear this term if you are planning to rent in Italy as more owners are demanding that you have this guarantee in place before they will sign a lease with you.

The Fideiussione is protection for the owner if you do not pay the rent. It is a guarantee given by the bank based on the rental agreement and if you stop paying rent, the owner can go to the bank to get the rent.

### Fideiussione Bancaria

The Fideiussione bancaria can only be issued by an Italian bank and you will need to open an account. Then you must deposit the full amount requested by the owner into the account. This can be between six to twelve months rent (12 months is the norm).

This money is then frozen in the account for the duration of your lease as a guarantee to the owner that if you do not pay rent, he or she can write to the Bank to execute the guarantee and release the funds.

This guarantee is usually required for the duration of your lease, so the funds will be frozen in the account for the full 4 years or 8 years if you renew for an additional 4 years. You will earn a tiny bit of interest but not enough to even count.

You cannot use this money, you cannot show it as an asset or borrow against it, it is frozen in time and there in case you don't pay your rent.

You will then continue to pay rent each month, in addition to keeping this money in the bank. The good news, although small, is that you often will not be required to also pay a damage deposit.

The process to obtain a Fideiussione bancaria is long (30-60 days) and requires a lot of documents and paperwork. You will have to first agree to the rental terms and the owner will have to write a proposal for rent which the bank will require to make the guarantee.



## How to Avoid a Fideiussione

It is difficult to convince a nervous owner that you can be trusted until you have proven yourself to them, so at the start you will need to be creative and find ways to lower his risk.

You can try one of these tactics:

- If possible, have an estate agent or Italian friend give you a personal reference. This may or may not work but references mean something here.
- Offer to pay a larger deposit of 6 months compared to the normal 3. This may give an owner the confidence to at least have cash in his pocket if things go wrong. Just remember that getting that money back will be very hard, so be sure that you trust the owner as well.
- Prepay your rent for a year. Yes, you still need to come up with a lot of cash upfront, but at least it is used as your rent and not held in a bank.
- Offer to do a shorter lease of one year with the condition that if you pay each month in full and on time that you will enter into a 4+4 after with normal terms. This will give the owner time to know you and trust you and only risk one year.
- Keep searching for an apartment that does not require a guarantee. You may need to expand your search to find owners that are making decisions based on personality than procedure.

## Fideiussione Assicurativa Affitto

Some owners will agree to a different kind of guarantee called a Fideiussione Assicurativa Affitto.

The function is the same, it protects the owner if you don't pay rent and in this case, the owner can get the money from the Insurance Company. However, it is a little more difficult and time consuming for them and therefore not the preferred way for an owner.

This is obviously a better option for the renter as it doesn't require large deposits into a bank but instead, you will just pay an insurance premium.

The amount you pay will depend on a number of things and qualifying is challenging for new arrivals. The process can be long (resembling a mortgage) and requires many documents to prove your financial position, whether you can qualify for the rent and your level of risk.





## Way to Save ↩



It is ok to offer less rent than the asking price (within reason).

We also recommend that you start lower than where you want to end up so there is room to meet in the middle. You can also negotiate the amount of deposit you give.

## Found it! Signing the lease.

Once you have found the perfect house and the owner is happy to rent to you, you can write a proposal to rent.

The Proposal is an “offer” that you will propose to the owner. It will have your details, the amount you are offering to pay when you will start rent, the deposit amount, and any other important conditions or details. It will also describe the property and should include a floor plan and the energy rating (A.P.E).

You will need to sign the offer and provide a deposit that is held by the agent until the owner accepts your terms. Once an owner accepts the agent will give them your deposit and the deal will move to the contract stage.



## CAPISCI?

If you do not speak Italian well, be sure to take someone with you that does or, use the services of an English-speaking agent. You should never sign or agree to anything without fully understanding everything.

Do not be embarrassed. Be patient and protect yourself.



# CONTRACTS

Italy is a country built on relationships. It truly is who you know that will make a difference in your ease of settling in. But Italy is also a country that loves a good contract! Everything has a contract and without one, you are exposed and at risk.

Never agree to a rental on a handshake or a verbal promise. Always get a formalized rental agreement that is signed and registered. Even if you think the owners are the most amazing people you have ever met, get a contract. You may never need to refer to it, but if something happens and you have problems, you will be glad you took the time to make a formal agreement.

The rental agreement or lease is an agreement between two parties one of which is the owner of the house and who allows the other ( tenant ) to use the property for a period of time in exchange for the payment of a fee ( or rent ). It is no different from what you are used to in your home country.

Always verify what type of contract is offered by the owner. Make sure you understand what it entails, and if it qualifies for a specific Visa you are seeking.

The contract must always be in writing (not verbal) and it must be registered with the town registry. All persons that will be using the house should be named in the lease. You will need the registered copy to apply for your Visa and later Residency.

By law, you need to understand what the lease says. Therefore, you should ensure you have someone that can translate it for you, or you can have it translated professionally. Do not sign anything unless you are fully aware of every point.

Once the contract is signed by both the owner and the renter, it is then registered. There is usually a small tax that should be shared between the owner and the renter unless the owner is opting for "cedolare secca" which means dry coupon.

It's a good idea to call the Comune where you plan to take residency and ask them what the minimum term of lease they require.

Some will require a 4+4 and others only 12 months.

Get the answer in writing.



## Dry Coupon

"Cedolare secca" - or dry coupon - is a tax on rent, which can replace the taxes due in the ordinary regime.

The owner will decide if they want to use "cedolare secca". Most will choose this option as it reduces their tax on the rent received significantly.

## Essentials of the Contract

Here are some essential parts that must be in the contract:

\* The date

The date is the day of signing. The contract must be registered within thirty (30) days from the date of signing.

\* The parties

The contract must contain the details of both the renter and the owner. This includes the names, date of birth, residence, Codice Fiscale (social security number).

\* The property

The property should be accurately identified with the full cadastral ID and all information which includes where it is located ( address) the floor plans, the description of the number of rooms and furnishings, and also the purpose of the rental use (residential, office, etc).

\* The cost of the rent

The contract will usually list the rent in the yearly amount but in monthly installments of XX amount. The rent does not include the utilities and will state this.

\* Other costs

If there is a condo fee, you should have copies of the condo rules and the financial statements so that you understand what you are paying for. There should be a list of all other expenses including heat if it is centralized.

Rent should not increase over the years (other than the standard inflation written in law) unless it is already agreed to between the parties.

\* The duration

The duration of the lease should be written from the start date to the end date.

\* The deposit

The law allows for up to 3 months deposit to be paid at the signing of the contract unless agreed otherwise between the parties. All deposits must be returned at the end of the contract and cannot be used for rent at the end of the term. The owner can withhold all or part of the deposit if the property has been damaged by the renter.



# SIGNING THE CONTRACT

You will need original signatures on the contract. If you are not in Italy, you can execute the rental agreement by couriering the originals back and forth.

Many people end up renting in this way, even before the Pandemic. This is because you may have found a suitable place but had to depart back home before you could finish negotiating and signing the papers.

If you are in Italy, you can sign the papers directly with the agent and the owner present.

The contract will have a statement of delivery notice which means that you agree that you are renting the apartment as you saw it and accept it in these terms. It will often list the furniture.

At this time you will pay the balance of the contract, agents commission and sometimes the first month rent.



## REGISTRATION

Your contract must be registered in the local Comune within 30 days after signing. Often the agent or owner will be responsible to do this.

If there is a registration fee, the amount should be divided 50/50 with the owner and the renter. You must have the contract registered to protect your rights and to qualify for residency at the Comune.

## THE REAL COSTS OF RENTING

The termination terms of the lease are set out in the contract and it is a good idea to discuss them clearly with the agent and owner.

In all cases, when you plan to depart the property, you must send your intention by registered letter (Raccomandata) to the owner. The renter may cancel the contract with six (6) months notice, for serious reasons (transfer of work, serious family, personal problems, etc).

To get back the money left as a deposit, the tenant must return the house in the same condition as they received it. This usually means that you will be responsible for any damage plus will be expected to repaint the inside of the entire property before leaving.

Do not forget to terminate all contracts for utilities or you will continue to pay.



Try to have the termination clause amended to say you can depart for "any reason" and with only three (3) months notice rather than six.

Here's an idea ↘



### **Subletting**

Generally, a residential lease does not permit you to sublet. However, if you can convince the owner to allow this, it is a good option to have in case you want to move on or are only staying in the property part-time and want to rent it out.

Be prepared for the owner to ask more in rent for this option as he knows you will earn money on the building and will want his share of the benefit.

## **Rights and Responsibilities**

What are your rights and duties as a renter in Italy?

As in your country, leases are governed by law which sets out exactly what your rights and responsibilities are. Here are some of the bigger ones to understand:

\*The owner must give the accommodation to the renter in a state that is suitable for normal residential use. He is responsible for all major repairs. In other words, if the heater breaks (at no fault of yours) and it is in the middle of winter, the owner must repair it.

\*The renter, on the other hand, is obligated to pay the rent at the agreed times, take good care of the property and pay for the routine maintenance costs. For example, if the kitchen sink is clogged and you need to call a plumber, the renter pays the plumber. However, if the kitchen sink is plugged because the plumbing system and pipes have broken, then it is the owner's responsibility ( as long as the damage was not caused by you).

It is best to use your common sense in this area. It is your home and you are responsible to keep it clean, well maintained and habitable.





## Common Useful Terms

IMMOBILE = Property

LOCATORE = Landlord

CONDUTTORE/LOCATARIO = Renter

CANON DI LOCAZIONE = Rent money

RECEDERE = Termination or canceling the contract

IMMOBILIARE = Real estate agency

AFFITTO = Rental

ABITABILE = Habitable

ANTICIPO = Deposit

ASCENSORE = Elevator; senza ascensore = without an elevator

ATTICO = Penthouse apartment

CAMINO = Fireplace

LAVANDERIA = Laundry room

METRI QUADRI = Square meters

SPESE DI CONDOMINIO = Fees for lighting and cleaning of common areas, or in luxury properties, shared use of a swimming pool or gym.

VANI = Rooms



If you need help finding, negotiating and securing a long term rental in Italy, we are here to help! [casa@smartmoveitaly.com](mailto:casa@smartmoveitaly.com)