

MASSIMILIANO SILLA

MULTI FAMILY OFFICE

Property **abroad.**

Buying, owning and passing on a home outside Italy: the rites and the title, IVIE and the quadro RW, rents on two tracks and inheritance across the border. An independent guide for those who decide.

THE COUNTRY · ITALY · THE BRIDGE

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WHY THIS GUIDE

Three legal systems, **one home.**

The home abroad begins with a photograph and becomes, at signature, the most international thing a family can own: an asset embedded in the legal system of another country, owned by a taxpayer whom Italy taxes on the entire world, with a third set of rules — treaties, credits, European regulations — deciding who commands what. Whoever knows the three systems buys well and owns in peace; whoever knows only one discovers the other two by letter.

This guide walks the whole route with the method of the series: the foundations — the rites of buying outside Italy, the title to verify before the view, the currency inside the price —, the double tax burden — quadro RW, IVIE, rents on two tracks, long-distance management — and mindful use: the complete numbers on a real case, the risks mapped, the alternatives, and inheritance across the border, the chapter every owner should read in good time.

It is an independent guide: it sells neither properties nor destinations, and when the long rental or the listed markets beat the purchase, it says so. It provides the foundations — the ones every family should have before signing in a foreign language.

HOW TO USE THIS GUIDE

- **It is navigable.** From the contents you jump to a chapter with one click; the page number at the foot always leads back to the contents.
- **"Key takeaways",** at the end of each chapter, sums up the essential points in a few lines.
- **The "In plain words" boxes** translate the most technical concepts into everyday analogies.
- **The final glossary** gathers all the technical terms: when a word does not add up, the answer is there.

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CONTENTS

Thirteen chapters, **one journey.**

PART ONE · THE FOUNDATIONS

01 One border, three legal systems 6

02 Buying abroad: the rite changes with the country 10

03 The title, before the view 13

04 The currency inside the price 16

PART TWO · THE DOUBLE TAX BURDEN

05 The quadro RW: the mandatory window 20

06 IVIE: our own wealth tax 23

07 If it earns, who taxes it? 26

08 The house at a distance 29

PART THREE · MINDFUL USE

09 The true numbers, start to finish 33

10 The risks, mapped 36

11 The alternatives, on the scales 39

12 Inheritance across the border 42

13 Essential glossary 45

Disclaimer 49

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The border, **in six numbers.**

3 legal systems

The country of the property, the Italian tax system and the coordination between the two: every home abroad lives inside all three.

1.06%

The annual IVIE: inside the EU often on the foreign cadastral value, outside on the full price — with a credit for local wealth taxes.

3–15%

The penalty, for each year, for the forgotten quadro RW: the most avoidable mistake of the entire subject.

+11%

How far the true outlay exceeds the asking price in this guide's case: entry taxes and professionals.

5 years

The threshold beyond which Italy does not tax the capital gain — while the country of the property taxes its own regardless.

7 treaties

The countries with which Italy coordinates inheritance tax: for all the others, credits to be invoked with the papers in order.

Sources: Agenzia delle Entrate, Italian and European legislation (EU Regulation 650/2012), market practice; rules as of September 2026. Indicative values. The rules of individual countries change and must be checked before any signature.

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PART ONE · CHAPTERS 1–4

The **foundations.**

Why one buys abroad and how one really buys: the rites of the purchase, the title to verify before the view, the entry costs — and the currency, the risk the photographs never show.

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01 One border, **three rulebooks.**

The home abroad almost always begins with a photograph — the whitewashed lane, the harbour, the vineyard — and becomes, at signature, something far more serious: an asset embedded in a foreign legal system, owned by an Italian taxpayer, with a third set of rules coordinating the first two. This chapter sets out who buys, why, and the principle that governs everything else.

1.1 The three tribes of buyers

Behind property purchases abroad by Italian residents lie three families of motives, worth distinguishing at once because they lead to different choices — and different mistakes. The first is **use**: the holiday home on the Spanish or Portuguese coast, the pied-à-terre in a beloved city, the plan to retire abroad. The second is **investment**: capital seeking a market believed more dynamic than the domestic one, the two-room flat for tourist lets, geographic diversification of bricks and mortar. The third is **roots and ties**: the house in the family's country of origin, the flat in the city where a son or daughter studies or works, the property inherited from relatives who emigrated — because one does not arrive abroad only by buying: often one arrives by **inheriting**.

The three families share the same obligations but bear different risks: those who buy for use underestimate the costs of ownership and long-distance management; those who buy as an investment underestimate double taxation and illiquidity; those who inherit discover everything at once, with the succession file already open. This guide serves all three — and chapter 12, on inheritance across the border, is written also for those who never wanted a home abroad and found one in an estate.

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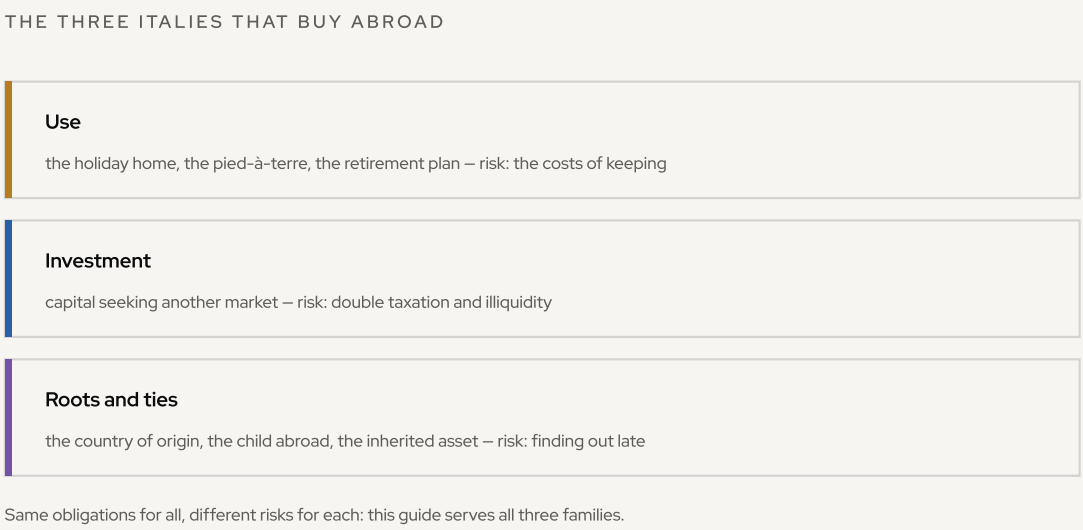

FIGURE 1 The three families of buyers — Illustrative diagram

1.2 The principle that governs everything: three sets of rules

The first pillar to fix is the criterion by which Italy looks at its taxpayer: **worldwide taxation**. Anyone who is tax resident in Italy declares and — where due — pays tax on income and assets **wherever** they are located: the flat in Valencia is, for the Italian tax authority, taxable matter exactly like the one in Rimini. Buying abroad moves nothing outside the perimeter; it adds a second perimeter on top of the first.

Hence the structure this guide will repeat in every chapter. Every home abroad lives within **three legal systems**: that of the **country of the property**, which governs the purchase, the register, local taxes and — in large part — the succession of the building; the **Italian** one, which follows the resident owner with tax monitoring, IVIE (the Italian wealth tax on foreign property) and IRPEF, the Italian income tax, on foreign income; and the **coordination** between the two — treaties, tax credits, European regulations — which decides who taxes what and how paying twice in full is avoided. The good news of this guide is that this coordination **exists and is usable**; the bad news is that it does not apply by itself: it must be known, invoked and documented.

> IN PLAIN WORDS
>
> The home abroad is like a person with dual citizenship: it obeys the laws of two countries at once, and it needs someone who knows which of the two prevails in each situation. Neither passport cancels the other.

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FIGURE 2 One home, three sets of rules — Illustrative diagram

1.3 The map of this guide (and a promise of realism)

The journey follows the life of the asset. **Part one** builds the foundations: how one really buys outside Italy — notarial rites, checks, entry costs ranging from 3 to 12 per cent —, what exactly is being bought (full ownership, leasehold, timeshare: they are not the same thing), and the currency, the risk the photographs never show. **Part two** tackles the double tax burden: the quadro RW (the foreign-asset monitoring section of the Italian tax return), IVIE, rents taxed on two tracks, long-distance management with its true costs. **Part three** is the method of the series: the complete numbers on a realistic case, the map of risks, the alternatives to beat before signing — because buying is not the only way to live well abroad — and cross-border inheritance, where one page of planning in life is worth a double procedure spared to the heirs.

The promise of realism is the usual one: this guide neither sells the dream nor demolishes it. Well-built foreign purchases exist — with true numbers, the right professionals and honest expectations; those built on the photograph and the enthusiasm of the summer viewing end up in the chapters on risk. The difference, as always in this series, is not made by the market: it is made by method.

KEY TAKEAWAYS

- Three families of buyers — use, investment, roots — with different risks; and one arrives abroad by inheriting too, not only by buying.
- The Italian resident is taxed on worldwide wealth: the foreign home remains fully inside the home tax net.
- Every foreign property lives in three legal systems: the country of the asset, Italy, and the coordination that avoids full double taxation.
- The coordination (treaties, credits, EU regulations) exists but does not apply by itself: it must be known and invoked.
- Method beats market: complete numbers, professionals on both shores, honest expectations.

Invested capital is at risk: values can fall as well as rise.

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02 Buying abroad: **the rite changes.**

In Italy a property purchase follows a familiar liturgy: offer, preliminary contract, deed before the notary. Abroad, the liturgy changes — sometimes in the details, sometimes in its entire architecture — and whoever faces it with Italian reflexes signs things they do not understand at the wrong moments. This chapter walks through the two great rites, the professionals to have at your side and the true entry costs, country by country.

2.1 The two rites: the Latin notary and the Anglo-Saxon closing

In continental Europe — France, Spain, Portugal, Germany — the model is the **Latin notary**, a cousin of the Italian one: an impartial public official drafts the deed, verifies the prerequisites and handles registration. The dangerous differences lie in the intermediate steps: in Spain the **contrato de arras** (the deposit agreement) already binds seriously — the buyer who withdraws loses it, the seller who withdraws returns it twofold; in France the **compromis de vente** is a full contract with a ten-day cooling-off period for the buyer, and the system of **suspensive conditions** (mortgage, planning) must be drafted well *beforehand*. Nor does the continental notary always perform all the checks the Italian buyer imagines: in several jurisdictions he verifies the regularity of the deed, not the merits of the purchase nor every planning aspect of the property.

In the Anglo-Saxon world — the United Kingdom, the United States, Ireland — the notary as we know him **does not exist**: the transaction is handled by each party's lawyers (**solicitor**, **conveyancer**) or by **escrow** agents who hold the funds until completion (**closing**), supported — in the United States — by **title insurance**, the policy covering defects in title. It is not a worse system: it is a **different** one, in which protection comes not from a public official but from the professionals each party engages. Whoever engages no one is protected by no one.

> IN PLAIN WORDS
>
> The golden rule has a single formulation: never sign, in a language you do not master, a document you have not had translated and explained by a professional who answers to you — not to the seller, not to the agency. The cost of a sworn translation is the cheapest insurance of the entire operation.

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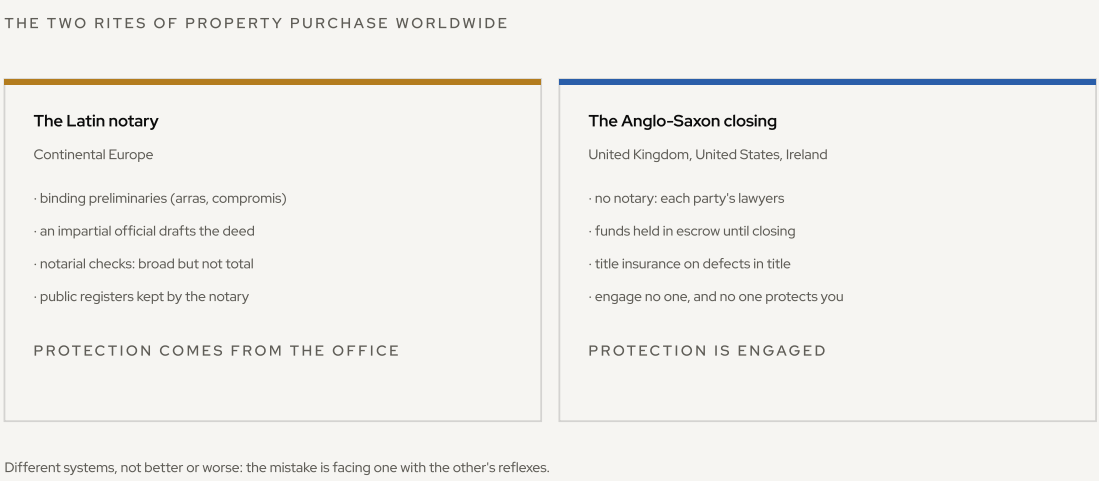


FIGURE 3 The two rites of the property purchase — Summary of practice; details vary by country

2.2 The team: who is truly needed, on which shore

The minimum team for a foreign purchase counts **three figures**. An **independent local lawyer** — the abogado, the avocat, the solicitor — engaged by the buyer and paid a fee, who checks title, planning, charges and clauses: this is the figure Italians most often skip "because there is a notary", and it is the skip that produces the litigation. An **Italian tax adviser** with international practice, who sets up the quadro RW, IVIE and the coordination of income from day one — because the Italian obligations are born at the deed, not at the first missed return. And, where needed, a **local surveyor** (surveyor, arquitecto) for the condition of the building, especially on older or rural properties.

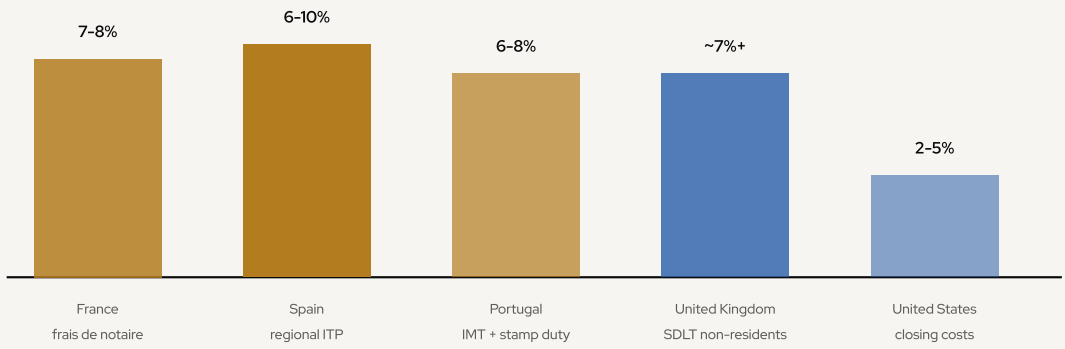
Practical tools that make life easier: the **power of attorney**, consular or notarial with apostille, to sign without flying over for every step; the **local tax number**, almost everywhere indispensable before the deed (the Spanish NIE, the Portuguese NIF); and a **local bank account** for utilities and taxes, which — as we shall see — will enter the Italian reporting perimeter.

2.3 Entry costs: from 3 to 12 per cent, depending on the country

The most concrete difference between markets is how much it costs to **enter**. In **France**, on existing homes, the "frais de notaire" — in reality almost all taxes — weigh around **7-8 per cent**. In **Spain** the transfer tax (ITP) is regional, typically between **6 and 10 per cent**, plus notary and registry. In **Portugal** the progressive IMT plus stamp duty bring the entry cost to around **6-8 per cent** on the mid-to-high brackets. In the **United Kingdom** the SDLT is progressive and carries a surcharge for the **non-resident** buyer, with a burden that on prime homes easily exceeds **7 per cent** (more if it is a second home). In the **United States** closing costs are lighter — often **2-5 per cent** — but ownership carries annual property taxes of 1-2 per cent that reverse the comparison over time. To all this add, almost everywhere, the agency (where custom puts it on the buyer), the lawyer, the translations.

The operational lesson: foreign entry costs are often **higher** than Italian ones and must go into the numbers *before* the offer, because they are capital the property must recover with years of use or of rent. And since they are largely local taxes, they generate — as a rule — no credit in Italy: they are a dry cost of the operation, not an advance on anything else.

THE ENTRY TOLL – INDICATIVE PURCHASE COSTS, AS A PERCENTAGE OF THE PRICE



Bars on the central values of the ranges. In the USA, though, ownership bears annual property taxes of 1-2%: the comparison reverses over time.

FIGURE 4 The entry toll, country by country

Orders of magnitude from market practice; rules as of September 2026

KEY TAKEAWAYS

- Two rites: the Latin notary (with deposits and preliminary contracts that already bind hard) and the Anglo-Saxon closing (protection entrusted to each party's professionals, not to a public official).
- The minimum team: an independent local lawyer paid by us, an Italian tax adviser involved from the deed, a surveyor where needed.
- Never sign what you have not had translated and explained: the sworn translation is the cheapest insurance of the operation.
- Entry costs: France 7-8%, Spain 6-10% by region, Portugal 6-8%, UK above 7% for non-residents, USA 2-5% but with heavy annual property taxes.
- Entry costs are capital to be recovered and as a rule generate no credit in Italy: they must be weighed before the offer.

Invested capital is at risk: values can fall as well as rise.

03 The title, before **the view.**

The question the view makes you forget is the most important of all: what, exactly, are you buying? Outside Italy the word "ownership" covers very different things — full, time-limited, shared, mediated by a company — and some are worth far less than they seem. This chapter teaches you to read the title before falling in love with the view.

3.1 The forms of ownership: not every property is property

Freehold — full, perpetual ownership — is what the Italian buyer has in mind when saying "buying a house", and it is the dominant form in continental Europe. But in the United Kingdom an enormous share of flats is sold as **leasehold**: a **time-limited** right — 99, 125, sometimes 999 years — over a property whose ground remains with a freeholder, with charges (ground rent), service fees and a value that **decays** as the contract shortens: below 80 years remaining, extending costs serious money and mortgages become difficult. This is not a detail for jurists: it is the difference between buying an asset and buying a right that wears out.

Timeshare deserves the bluntest paragraph in the guide: two weeks a year in a resort, sold under commercial pressure at prices that look small, with a resale market **close to zero** and perpetual annual fees that outlive the enthusiasm. In the wealth hierarchy of this series it is not a property: it is a subscription in disguise, and should be weighed — if at all — as such. Finally, ownership **through a company**: in France the SCI, elsewhere LLCs or local companies. It has legitimate uses (multiple co-owners, planning), but it adds a layer of obligations — accounting, Italian reporting, succession — that must be decided with the tax adviser, never accepted merely because "that's how it's done here".

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FORM	WHAT YOU OWN	DURATION	WATCH OUT FOR
Freehold (full)	The building and the ground	Perpetual	The reference form: ordinary checks
Leasehold	A right over the building	Time-limited (99-999 years)	Value and mortgages fall with the years left; ground rent and fees
Timeshare	Weeks of use	Perpetual or long	Near-zero resale, perpetual fees: a subscription, not a property
Through a company (SCI, LLC)	Shares in the owning company	—	Extra accounting, reporting and succession duties: only with the tax adviser

TABLE 1 The forms of ownership

> IN PLAIN WORDS
>
> Leasehold is a very long rental contract dressed up as ownership; timeshare is a prepaid holiday dressed up as an investment. Neither is necessarily a mistake — the mistake is buying them believing they are something else.

3.2 The checks that save you: register, planning, charges

Foreign due diligence mirrors the Italian kind in principle and diverges in the documents. First: **title and charges** — the extract from the local property register (Land Registry, the nota simple from the Registro de la Propiedad, the livre foncier) stating who owns the property and which mortgages, easements or restrictions burden it; in countries where the register is less reliable, title insurance or extended notarial searches are not a luxury. Second: **planning** — around the Mediterranean, the house extended without permits or built in a protected zone is not folklore, it is a risk of demolition or unsaleability: planning conformity and the licences (the cédula, the licencia de primera ocupación) must be demanded in copy, not narrated. Third: the **debts that follow the property** — in many jurisdictions unpaid service charges and certain local taxes attach to the building and pass to the buyer: the certificate from the owners' association and of taxes paid is part of the deed, not a courtesy.

Beware, finally, of **pre-emption rights and restrictions**: in France public and agricultural bodies (SAFER) may hold rights of first refusal; in Switzerland the Lex Koller limits purchases by non-residents; on the coasts and military zones of various countries special restricted belts exist. And the property-linked "golden visa" programmes — historically Portugal and Spain — have been **closed or curtailed** in recent years: whoever buys today for a residence permit is often buying a rule that no longer exists.

3.3 The method: buy the file, not the photograph

The method of the series, applied to title, comes down to three moves. **First**: qualify the form of ownership — full, time-limited, shared, corporate — and price it for what it is, with this chapter's table as the grid. **Second**: have the local lawyer assemble the complete file — register, planning, owners' association, taxes — and read it *before* any binding signature, deposit included: in the rites seen in chapter 2, the moment when you can still say no without losing money ends very early. **Third**: write into the deed what has been verified — condition, conformity, absence of debts — because the guarantee given by word of mouth, in any language, has never survived a dispute.

Whoever leaves this chapter with a single habit — asking "what exactly do I own, for how long, with what burdens?" before asking "how much does it cost?" — has already avoided the majority of the mistakes that fill the forums of Italians abroad.

KEY TAKEAWAYS

- Freehold, leasehold, timeshare, corporate ownership: four different things sold under the same word "ownership" — the form must be qualified and priced before the view.
- A short leasehold loses value and financeability; timeshare has near-zero resale and perpetual fees.
- A complete file from the local lawyer: register and charges, documented planning conformity, certificates from the owners' association and the tax office — before any signature, deposit included.
- In several jurisdictions service-charge and tax debts follow the property and pass to the buyer.
- Pre-emption rights, restrictions on foreigners and closed golden visas: special rules are checked in the current year, not inherited from stories.

Invested capital is at risk: values can fall as well as rise.

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04 The currency **in the price.**

Whoever buys within the euro area may skip this chapter with an almost clear conscience. Everyone else — the United Kingdom, the United States, Switzerland, and every exotic destination — is buying two things at once: a property and a currency. The second does not show in the photographs, but it moves the value of the asset, of the running costs and of the rents for all the years of ownership.

4.1 What really fluctuates: price, costs, rents, sale

Currency risk is not a moment: it is a **soundtrack**. It plays at purchase, when between the offer and the closing the euro countervalue can move by a few points; it plays every year, on local taxes, service charges, maintenance and the mortgage, which are costs **in currency**; it plays on the rents, if the property is let, turning a stable local yield into a jumpy yield in euros; and it plays loudest at the sale, when years of property appreciation can be eaten — or inflated — by the exchange rate of the day. On a property worth 250,000 euros of countervalue, a 10 per cent swing in the currency — routine business over five-year horizons for the pound, the dollar or the franc — is worth **25,000 euros**: more than any reasonable negotiation on the price.

The rule of the series is the same as for portfolios: the exchange rate is not to be predicted, it is to be **sized**. Whoever reasons over a long horizon and a contained share of wealth can accept it as part of the game; whoever buys at the limit of their strength, in a foreign currency, is stacking two levers — property and currency — on the same illiquid asset.

> IN PLAIN WORDS
>
> Buying in London or Miami without thinking about the exchange rate is like mooring a boat looking only at today's sea: the tide is not an opinion, it is a cycle. You cannot command it — you choose how much hull to expose to it.

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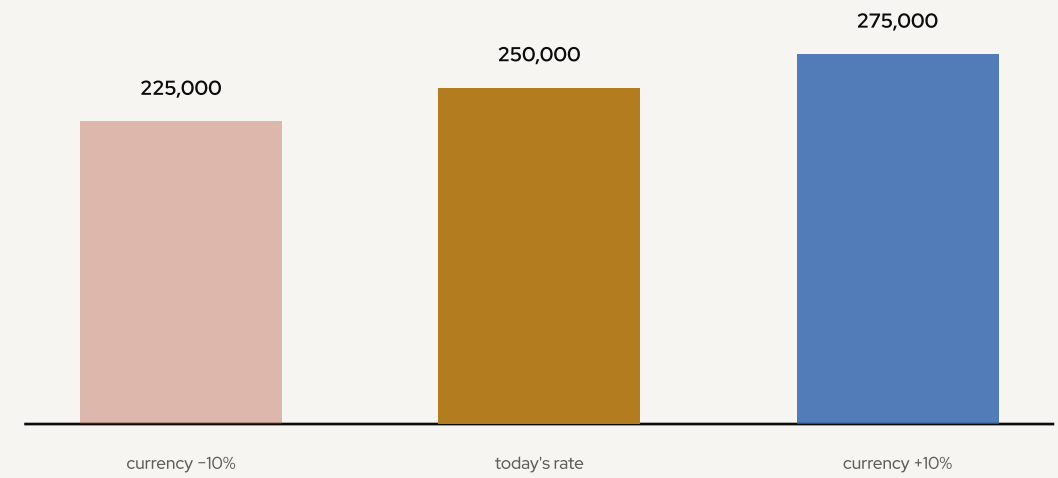

FIGURE 5 The same asset, three exchange rates

Hypothetical example for illustration

4.2 The mortgage: which bank, which currency

Financing a foreign property follows a practical rule: **the mortgage lives where the property lives**. Italian banks rarely register a mortgage on buildings beyond the border; the real routes are three. The **local bank**, which for non-residents typically finances 60-70 per cent of the value, with heavy documentary underwriting (Italian income to be translated and certified) and rates not always better than domestic ones. **One's own liquidity**, the simplest route, which however concentrates capital in a single illiquid asset – the theme of chapter 10. Or **leverage on Italian assets**: a mortgage or a Lombard loan on assets in Italy to pay cash abroad – flexible, but to be handled with the discipline of the sister guides on leverage.

If the mortgage is in foreign currency, the debt swings with the exchange rate together with the asset: whoever collects rents in the same currency as the mortgage has a partial **natural hedge** – the instalments are paid with the rents, and the exchange rate touches only the net. Whoever instead pays a mortgage in francs with income in euros has already learnt, from financial history, how that ends in the wrong cycles.

4.3 Transferring and hedging: the everyday mechanics

Two pieces of everyday mechanics are worth real money. First: **international transfers** in currency carry an exchange spread that between a traditional bank and specialised operators can differ by 1-2 per cent – on a 250,000-euro purchase, thousands of euros decided by an administrative choice; for the sums of the deed, the rate is agreed in advance, not suffered on the day. Second: **hedging**. For the single large flow (the purchase price, the sale proceeds) a forward rate fixed with the bank is simple and

sensible; for small recurring flows (costs, rents) systematic hedging costs more than the risk it removes, and the right answer is usually a **currency account** that collects the rents and pays the costs, cutting exchange passages to a minimum.

The chapter closes with the bridge to the tax part: that currency account, opened for good operational reasons, is a foreign asset — and together with the property it enters the perimeter of the Italian monitoring that opens the next chapter.

KEY TAKEAWAYS

- Outside the euro you buy two things: the asset and the currency — and a 10% swing on 250,000 euros is worth more than any negotiation.
- The exchange rate is not predicted, it is sized: long horizon and a contained share of wealth, never two levers on the same asset.
- The mortgage lives where the property lives: a local bank at 60-70% for non-residents, one's own liquidity, or leverage on Italian assets with discipline.
- Rents and mortgage in the same currency hedge each other; a currency mortgage paid with euro income is the combination to avoid.
- Rates agreed in advance on the large flows, a currency account for the small ones: the everyday mechanics are worth thousands of euros.

Invested capital is at risk: values can fall as well as rise.

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PART TWO · CHAPTERS 5–8

The double **tax burden.**

The Italian side of ownership: the quadro RW and its penalties, IVIE and its credits, rents taxed on two tracks — and management at a distance, with the costs nobody talks about.

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05 The mandatory **window.**

With the foreign deed there is born, in silence, an Italian obligation that sends no reminders: tax monitoring. The quadro RW of the tax return — the section in which the resident discloses foreign assets — is the window through which the taxpayer shows the authorities what is owned abroad, and forgetting it is the most frequent, most penalised and most avoidable mistake of the entire subject.

5.1 Who declares, what, at which values

Monitoring applies to resident individuals (together with simple partnerships and non-commercial entities) holding **investments abroad**: the property, obviously, but also the **local bank account** opened for utilities, and any shares in the company that owns the building. The **owner** declares and, more broadly, whoever is the **beneficial owner**; in joint ownership each declares their own share, and even the spouse with a mere delegated signature on the foreign account does well to seek advice, because the power to withdraw is itself relevant.

The **values**: for buildings the same criteria apply as for IVIE in chapter 6, even where the tax is not due: in the European Union and the EEA the **foreign cadastral value** where one exists, otherwise the purchase cost shown in the deed and, failing that, the market value; for assets inherited or received as gifts, the value declared in the inheritance return or in the registered deed. The opening and closing values of the period are reported; for accounts, balances and movements according to the rules of the section. One relief worth knowing, and worth not overrating: for the **unchanged** property — same ownership, no sale or purchase — the duty to refill the section year after year lapses, but the IVIE payments stand, and IVIE is settled in that very section: if the tax is due, the section is filled in anyway. The exemption truly lightens the load only where there is no IVIE to pay (below 200 euros, or wiped out by the credit for the local wealth tax). It is an administrative relief, not an exemption, the foreign bank account does not enjoy it, and if even a single property changes, all of them must be listed, including those that stayed put.

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5.2 The penalties, and why the taxman already knows

The penalty for omitted or unfaithful reporting runs from **3 to 15 per cent** of the undeclared amounts, for each year; if the asset sits in a **non-cooperative** country (the black lists), the range **doubles** to 6-30 per cent. On a 250,000-euro house forgotten for five years, the arithmetic is brutal even at the statutory minimum. What makes the risk concrete is the **automatic exchange of information**: through the CRS and European cooperation, accounts and much asset information reach the Agenzia delle Entrate — the Italian revenue agency — without anyone asking for them; the compliance letter flagging the mismatch between what the foreign country reports and what the taxpayer declares is by now administrative routine, not bad luck.

The way out for whoever notices the error is the **ravvedimento operoso** — Italy's voluntary-correction procedure: supplementary returns and reduced penalties, all the lighter the sooner one moves — and in any case incomparably better than the assessment suffered. The practical rule: the day a lapse is discovered is the right day to call the tax adviser, not next year.

> IN PLAIN WORDS
>
> The quadro RW is not a tax: it is a mandatory photograph. Not taking the photograph does not hide the house — the taxman sees the house anyway, through the automatic exchanges; it hides only the good faith of the person who failed to show it.

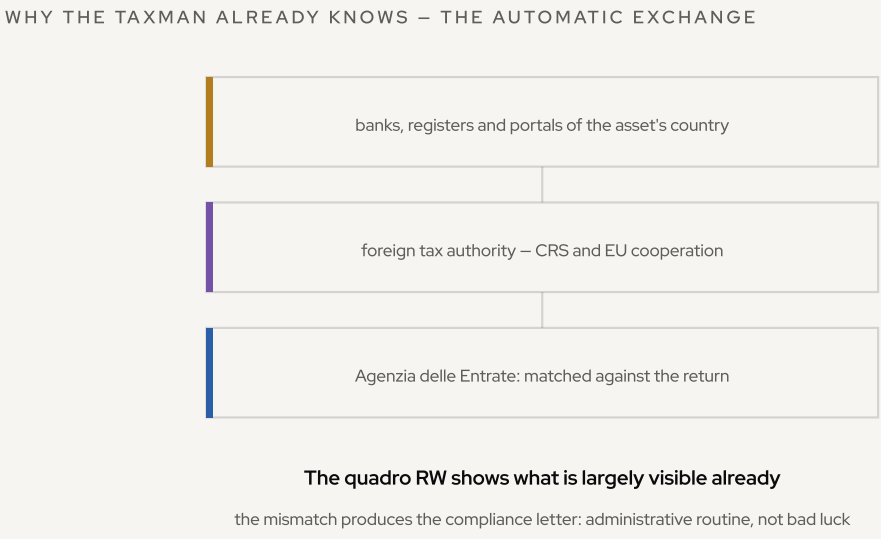

FIGURE 6 Why the taxman already knows — Diagram of the automatic exchange (CRS and EU cooperation)

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5.3 The organisation that makes everything simple

Reduced to method, monitoring is a half-hour annual habit. At the birth of the asset: hand the tax adviser the deed with the price, the details of the local account, the co-ownership shares — this is the file that will feed the quadro RW and IVIE for all the years to come. Every year: report the changes (capital works, partial sales, account closures) and check that the quadro RW and the IVIE settlement travel together, because — as we shall see in the next chapter — the same section of the return serves both. At the sale or the gift: declare the exit, closing the cycle.

Whoever keeps this discipline discovers that the dreaded "double tax burden" is, on the reporting side, a modest chore. Whoever does not keep it hands their future a correction file — or a letter from the Agenzia — that always costs more than the half hour saved.

KEY TAKEAWAYS

- The whole foreign perimeter is declared: property, local account, any company shares — by ownership and beneficial ownership, each for their own share.
- Values: the same as for IVIE (foreign cadastral value in the EU where one exists, otherwise cost, then market); an unchanged property: no RW only where there is no IVIE to pay, since IVIE is settled in that very section. The foreign account must be declared regardless.
- Penalties of 3-15% per year, doubled in non-cooperative countries: on six-figure assets, serious money even at the minimum.
- CRS and EU cooperation: the taxman receives the data anyway — the compliance letter is routine, not bad luck.
- The ravvedimento operoso rewards those who move at once: the lapse discovered today is fixed today.

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06 Our own **wealth tax.**

Italy has no general wealth tax on Italian buildings beyond the municipal IMU — but it has a precise one on foreign buildings: IVIE. Rate, taxable bases and credits follow a logic of their own, with one distinction that is worth real money: inside or outside the European Union. This chapter takes it apart with the numbers.

6.1 Who pays it, on what value: the distinction that matters

IVIE falls on resident individuals holding foreign buildings — owners, but also usufructuaries, each for their own share — at an ordinary rate of **1.06 per cent** a year, prorated by months and percentage of ownership. Everything turns on the **taxable base**, and the map is binary. For buildings in the **European Union** (and the cooperative EEA: Norway, Iceland) the base is primarily the **foreign cadastral value** — the one the country uses for its own wealth or income taxes —, which in Spain (the valor catastral of the IBI) or in Germany is often far below the price paid: it is the foreign version of our "cadastral value versus market value". Only failing that does one move to the purchase cost and, last of all, the market value. **France** needs care: the valeur locative of the taxe foncière is a rental value, not a cadastral value, and the Agenzia delle Entrate (circular 28/E of 2012) places France — together with Belgium, Ireland and Malta — among the EU countries with no cadastral value usable for IVIE: the base is the cost shown in the purchase deed, as outside the Union, save for the rarely convenient option of multiplying the ordinary average income by the IMU coefficients. For buildings **outside the EU** — the United Kingdom included, after Brexit — the sequence flips: what counts is the **purchase cost** (or the market value failing that), and the wealth tax is paid on the full price.

An example makes the point: a Spanish property paid 250,000 euros with a valor catastral of 95,000 bears an IVIE of about **a thousand euros**; the same price paid for an English cottage makes a full taxable base and an IVIE of **2,650 euros**. Same outlay, a wealth tax nearly three times over: fiscal geography is part of the price, and it should be looked at before buying, not at the first return.

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IN PLAIN WORDS

IVIE is the IMU of faraway homes, with one oddity: inside the EU it is often computed on gentle cadastral values, outside on the true price. Two houses identical in cost can pay very different wealth taxes merely for the side of the border on which they sleep.

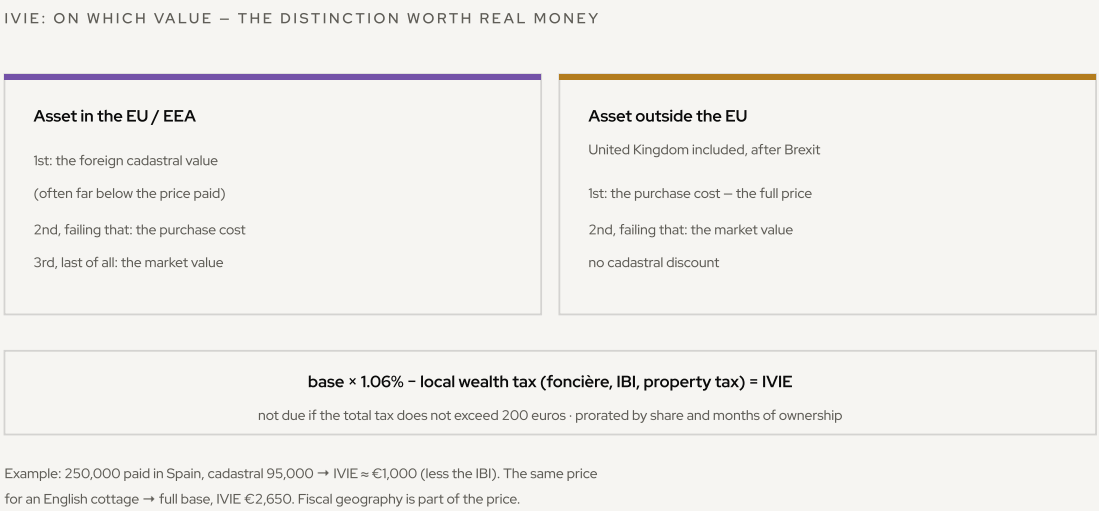

FIGURE 7 The taxable bases of IVIE

Legislation as of September 2026

6.2 Threshold, credits and the effect that surprises on the upside

Three rules lighten the bill. The **threshold**: if the total tax does not exceed **200 euros**, IVIE is not due – only the reporting duties remain. The **credit**: from IVIE one deducts the **wealth-type** tax paid in the country of the property – the French taxe foncière, the Spanish IBI, the American property tax – and, for EU/EEA assets, also any excess of foreign income tax not already used as an IRPEF credit: the coordination of chapter 1, here, truly works. The **reduced** rate of 0.4 per cent with a 200-euro deduction concerns the rare case of the foreign main residence that remains relevant (luxury categories): for the readership of this guide it is a footnote.

And the pleasant surprise: the **substitution effect**. For the foreign property **not rented out** and subject to IVIE, the IRPEF on notional income is not due: the holiday home kept at one's disposal pays the wealth tax and nothing else to the Italian authorities – no equivalent of the cadastral income in the return. It is the mirror of the rule seen for Italian bricks and mortar, and it makes the tax cost of ownership more readable: one number, every year.

6.3 Settlement: how it is paid, with what discipline

Operationally IVIE is settled **in the tax return**, in the same section that hosts the monitoring: it is paid in balance and instalments on the income-tax deadlines, like an additional IRPEF. The ingredients to keep in order are the documents proving base and credits: the attestation of the **foreign cadastral value** where one exists (the IBI notice shows it; the foncière notice does not: for France the deed with the cost is what counts), the **receipts** of the local wealth taxes paid, the deed with the cost for non-EU assets. Without documents, the adviser can only use the higher bases and forgo the credits: the difference between a well-kept file and an improvised one is worth, over the years, many hundreds of euros.

A closing note of method: IVIE and RW are the two faces of the same annual duty — the photograph and its price. Whoever treats them together, with a single file and a single annual appointment with the adviser, has already secured the Italian side of ownership. What remains is what happens when the house **earns** — and that is the next chapter.

KEY TAKEAWAYS

- IVIE at 1.06% a year by share and months of ownership; the usufructuary pays it too.
- A binary base: EU/EEA on the foreign cadastral value (often gentle) where one exists — France, having none usable, pays on the cost — and outside the EU, United Kingdom included, on the full purchase cost: fiscal geography is part of the price.
- Not due below 200 euros; local wealth taxes (foncière, IBI, property tax) are deducted and, for the EU, foreign income-tax excesses.
- Substitution effect: the non-rented property with IVIE bears no notional IRPEF — one number a year.
- Settled in the return with balance and instalments; the file of foreign documents decides bases and credits.

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07 If it earns, **who taxes it?**

When the foreign home produces income — rent today, a capital gain tomorrow — both legal systems reach out a hand. The general rule is that the country of the property taxes first and Italy taxes afterwards, granting a credit; but the details decide the true net, and a couple of traps lie in wait precisely for the most diligent.

7.1 The rents: the Italian double track

First step, always: the country of the property taxes the rents of non-resident owners under its own rules — with its withholdings, local returns and rates. Second step, Italy, where the foreign rent is taxable income of the resident under a **double track** that depends on how the foreign country behaved. If the income **is taxed** in the country of the property, in Italy one declares **the same taxable amount** determined abroad, with no further deduction of expenses; if instead the country **does not tax it**, Italy taxes the rent received reduced by a **flat 15 per cent** for expenses. In both cases the income flows into ordinary IRPEF — no cedolare secca, the Italian flat tax on rents: that is a privilege of Italian walls — and double taxation is softened by the **tax credit** for definitive foreign taxes, within the limit of the share of IRPEF attributable to that income.

The practical result, which chapter 9 will put into numbers: between foreign tax, residual IRPEF and true expenses, the gross foreign rent turns into a net noticeably leaner than the agency's board suggested — not as punishment, but as the simple sum of two tax systems doing their job.

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FIGURE 8 The double track of foreign rents

Legislation as of September 2026

7.2 Short lets: where regulation beats taxation

For tourist lets the decisive variable is often not fiscal but **administrative**: mandatory licences and registers, capped zones, day limits. The great European destinations have tightened everywhere — permits frozen or revoked in historic centres, platforms obliged to report data, heavy fines for letting without a licence — and the reporting is automatic towards the tax authorities too: the portals transmit the takings to the European authorities, which exchange them among themselves. Translated into the method of this guide: the plan "I buy and put it on the portals" must be checked **before** the purchase with the municipality of the property, because the licence that exists today may not be transferable, and the one that does not exist may never come. A property bought for short lets in a zone that forbids them is an investment whose thesis was removed on the day of the deed.

> IN PLAIN WORDS
>
> On foreign rents the order of factors is: first the local regulation (may I let?), then the local tax (how much does it keep?), finally the Italian one (how much is left?). Whoever starts from the last number — the gross on the board — is reading the book from the end.

7.3 The capital gain: five years, two tax offices, one trap

At the sale, Italy applies to the foreign building its domestic rule: the capital gain is taxable as other income only if the disposal occurs **within five years** of purchase — beyond that, for the Italian taxman there is nothing to tax; and it is exempt even earlier if the property was the **main residence** of the seller or their family for most of the holding period. The technical trap concerns whoever sells *within* the five

years: the **substitute tax of 26 per cent** is requested from the Italian notary in the deed — and the foreign deed has no Italian notary. Result: the "young" foreign gain lands in **ordinary IRPEF**, at marginal rates that can far exceed 26 — one more fiscal reason to think of foreign ownership over long horizons.

On the opposite front, the country of the property as a rule taxes its own capital gain **without looking at the Italian five years** — often with withholdings at source handled by the local notary on non-resident sellers and adjustments at the return. The coordination closes the circle: the definitive foreign tax generates a credit against Italian IRPEF *if and to the extent that* Italy taxes; when Italy does not tax (beyond the five years), the foreign tax remains a full cost — the net of the sale is computed with both tax offices on the table, never with one alone.

KEY TAKEAWAYS

- Rents: first the country of the property, then Italy in IRPEF — the foreign taxable amount if taxed there, the rent minus a flat 15% if not; no cedolare secca.
- The tax credit softens but does not cancel: the true net is the sum of two tax systems, and it is computed before the purchase.
- Short lets: licences, capped zones and data exchange from the portals — the local regulation is checked before the deed.
- Capital gain: taxable in Italy only within 5 years (main residence aside); no 26% substitute tax on a foreign deed — one lands in ordinary IRPEF.
- The country of the property taxes its own gain regardless of the Italian 5 years: the sale is computed with both tax offices.

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08 The house **at a distance.**

A thousand kilometres turn every small chore into a project: the boiler, the owners' meeting, the pipe that leaks in August. Long-distance management is the least talked-about cost of foreign ownership — in money, in time and in peace of mind — and the difference between those who organise it and those who endure it shows by the second winter.

8.1 Who keeps the keys: the permanent team

The purchase team dissolves at the deed; the ownership team lasts decades. The pivot is the **property manager** — or, in the Mediterranean version, the well-organised person of trust: whoever keeps the keys, inspects after storms, lets the tradesmen in, handles check-ins and cleaning if the property is let. It typically costs **8-15 per cent** of the rents for long lets and **20-30** for full-service tourist lets; for the home kept for one's own use, a flat fee or a per-visit rate. It is not a luxury: it is the distant owner's sense organ — without it, every problem is discovered late, and abroad "late" is dearer than at home.

Alongside: the local **insurance** on the building and civil liability (often compulsory in an owners' association, in any case indispensable for an unattended property), the **local tax adviser** for the country's returns — the asesor, the accountant — who talks with the Italian commercialista of chapter 5, and the **direct debits** of utilities and local taxes on the currency account of chapter 4: the bill unpaid because the foreign postman could not find us is a classic that direct debits eliminate.

> IN PLAIN WORDS
>
> The house at a distance is governed like a ship in a foreign port: you need a local agent to visit her, an insurance to cover her and accounts that pay themselves. The owner who wants to do everything from a thousand kilometres away does not save the agent's fee — he pays it in breakdowns.

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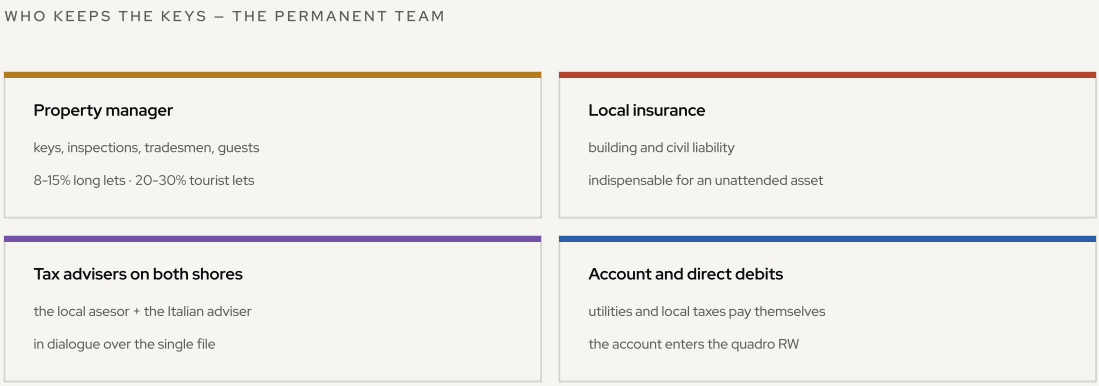

FIGURE 9 The permanent team — Method diagram; indicative costs

8.2 The foreign owners' association and the debts that wait

Whoever buys into a Spanish comunidad, a French copropriété or an American homeowners association enters a micro-legal-system with its own meetings, majorities and budgets — and with an asset detail already seen in chapter 3: in many countries approved works and arrears **follow the building**. Resolutions passed in the distant owner's absence are fully valid: the pool renovation voted in February is paid for even if one only stays in August. The defences are ordinary but must be activated: a **power of attorney** or standing proxy for whoever attends the meetings, reading the minutes, a personal reserve fund for extraordinary works — the same hygiene as the sister guide on bricks and mortar, with a time zone added.

8.3 The single file: the infrastructure that holds everything

Foreign ownership produces paper in two languages and deadlines in two calendars: the only way not to be governed by them is the **single file** — physical or digital — that this series recommends for every estate and that here becomes vital. Inside: deed and translations, register extracts, the policy, management and letting contracts, local tax notices (which are also the proof of the IVIE credits of chapter 6), association minutes, correspondence with the advisers on both shores. Updated at every event and shared with the spouse and — in due measure — with whoever will inherit, it is also the first act of succession courtesy: chapter 12 will show how much it is worth, for the heirs, not to have to reconstruct a foreign estate from a shoebox of receipts in Castilian.

The annual cost of this infrastructure — management, insurance, professionals on both shores — adds to local taxes and service charges in the "cost of keeping" that the next chapter will set out in a column. An honest preview: for a mid-range European holiday home, hardly less than **three thousand euros a year**, all in, before having slept a single night.

KEY TAKEAWAYS

- The property manager as the distant owner's sense organ: 8-15% on long lets, 20-30% on tourist lets, a flat fee for own use.
- Local insurance, a tax adviser on the spot talking with the Italian one, direct debits on the currency account: the maintenance of the obvious.
- The foreign owners' association resolves even in our absence and the debts follow the building: a proxy for the meetings and the minutes read.
- A single bilingual file, updated and shared: the infrastructure of ownership and the first act of courtesy towards whoever will inherit.
- The true cost of keeping — management, policies, professionals, local taxes, service charges — starts at about 3,000 euros a year for the European mid-range.

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III

PART THREE · CHAPTERS 9–13

Mindful **use.**

The complete numbers from entry to exit, the map of risks, the alternatives to beat before signing — and inheritance across the border, the pivot chapter to read in good time. The glossary closes.

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09 The true numbers, **to the very end.**

A single case, followed for the whole life of the asset: an Italian couple buys a three-room flat in Valencia. Realistic, rounded numbers — every real purchase will have its own — but the structure of the account is one anyone can redo: entry, keeping, income, exit. It is the chapter to reread before any offer.

9.1 The entry: from 250,000 to 277,500 without noticing

The board says **250,000 euros**. The regional transfer tax (ITP) at 9 per cent — the Comunitat Valenciana rate since June 2026, previously 10 — adds **22,500**; notary and registry about **2,000**; the independent abogado, the due diligence and the translations about **3,000**. Total outlay: **277,500 euros**, 11 per cent above the price — capital the property will have to give back with years of use or of rent before one can speak of gain. The couple buys 50 per cent each, without a mortgage, with their own funds and traceable transfers; they open the Spanish account for the direct debits and hand the whole file to the Italian commercialista in the week of the deed: the quadro RW and IVIE are born already set up.

9.2 Keeping and income: the cost of the empty house and the true net

Ownership costs money even with the house empty. Municipal IBI about **450 euros**; comunidad **1,200**; insurance **350**; prudent average maintenance **1,000**; the person who keeps the keys **500**. On the Italian side, IVIE: a valor catastral of **95,000 euros**, tax at 1.06 per cent equal to about a thousand euros, minus the credit for the IBI: **550 on balance** — and, since the property is not let all year, for the part kept at their disposal the substitution effect avoids any notional IRPEF. Total cost of keeping: **about 4,000 euros a year**, before having slept a single night.

The couple lets for six months a year to students and visiting professors: **9,000 euros gross**. Spain taxes the EU non-resident on the income net of pro-rata expenses: say a taxable base of 7,000 and a local tax of around **1,300 euros**. In Italy the same taxable amount enters IRPEF at the couple's marginal rate — say 35 per cent between IRPEF and local surcharges, about 2,450 — with the credit for the Spanish tax: another **1,150** to the home taxman. Of the 9,000 gross about **6,550 remain after the two**

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tax offices; take away the cost of keeping, and the true net flow is around **2,500–3,000 euros a year** — barely 1 per cent of the outlay, plus six months of use. Is it a good deal? It depends exactly on how much the Valencian half-year is worth to that family: the number alone does not answer.

> IN PLAIN WORDS
>
> The return on the home abroad is always written in two currencies: euros and life. Counting only the euros, almost no purchase for use is justified; counting only the life, even the disasters are. The method is to keep both on the table, with the true numbers.

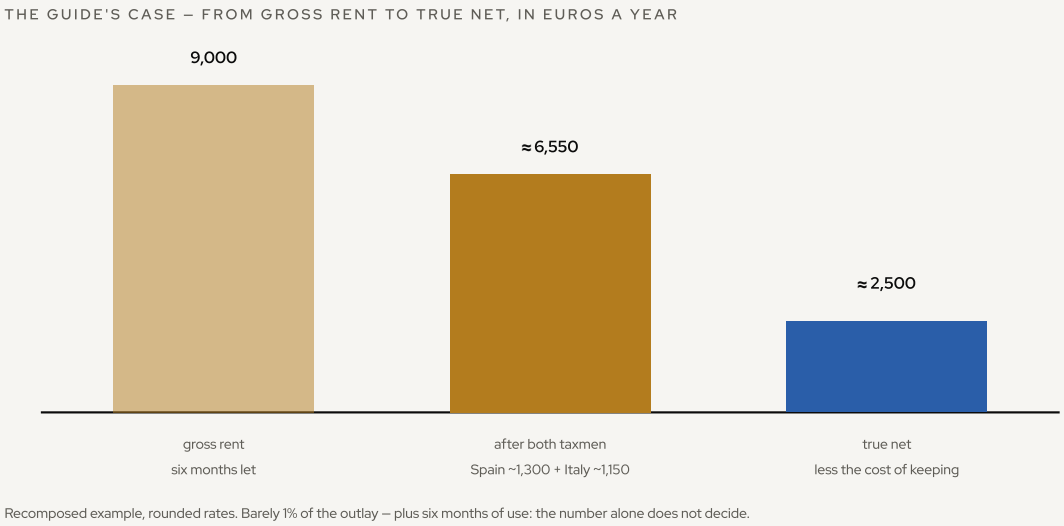

FIGURE 10 From gross to true net — Recomposed case for illustration; rounded rates

9.3 The exit: the sale eight years on

Year eight: the couple sells at **290,000 euros**. For the **Italian** taxman there is nothing to tax: the five years are long past. For the **Spanish** one there is: on the local gain — price minus purchase cost and charges, that is 290,000 less 277,500: say **12,500** net of the selling costs — the non-resident tax at 19 per cent is worth about **2,400 euros**; the 3 per cent withholding on the price applied at the deed (8,700) is only an advance, and the excess is reclaimed with the local return. Plus the municipal plusvalía, say 1,100: about **3,500 in all**, with no credit whatsoever in Italy because Italy asks for nothing. Net proceeds: about **286,500**.

The complete balance of the adventure, in euros: outlay 277,500; eight years of positive net flows of about 22,000; net sale 286,500. Total: **+31,000 euros over eight years** — less than the cash would have earned in prudent instruments — *plus* forty-eight cumulative months of Valencian life for the family. It is the series' honest ending: the operation worked because the use was real and the numbers had been run beforehand; the same operation bought as a pure "investment" would have been a disappointment foretold. The six-step method — true entry, cost of keeping, double tax on rents, substitution effect, horizon beyond five years, exit with both tax offices — can be redone with one's own numbers in an afternoon.

KEY TAKEAWAYS

- Entry: 250,000 on the board, 277,500 of outlay — the 11% is capital to recover before any gain.
- Cost of keeping: about 4,000 euros a year with the house empty, IVIE (with the IBI credit) included; the substitution effect avoids notional IRPEF.
- Rents: 9,000 gross become ~6,550 after the two tax offices and ~2,500-3,000 true net after costs: barely 1%, plus six months of use.
- Sale beyond the 5 years: Italy does not tax, the country of the property does — and its tax remains a full cost, without credit.
- Honest balance: +31,000 euros over eight years plus 48 months of life — it holds as a purchase for use, not as a pure investment.

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10 The risks, **mapped.**

Every chapter has sown its warnings; this one gathers them into a single map, ordered by family of risk, with the warning signs and the defences. And it closes with the most useful list in the guide: the profiles for whom the home abroad is, quite simply, the wrong purchase.

10.1 The six families of risk

The risk of **title and planning** — buying less than one believes, or a property with defects the local register knew about: parried with the due diligence of chapter 3, never with trust. The risk of **currency**, for whoever leaves the euro: it is sized, not predicted. The risk of **liquidity**: the foreign home resells to a narrower audience — locals who know the defects, foreigners who are few — and in bad cycles the timelines are measured in years; whoever may need the capital must not wall it up beyond the border. The risk of **management**: distance, tradesmen, the owners' association — it costs money if organised, peace of mind if improvised. The **tax-reporting** risk: not the taxes themselves, which can be computed, but the lapses — RW, IVIE, local returns — that accrue penalties in silence. And the **regulatory** risk: the country's rules change over the foreign owner's head — tourist licences revoked, local wealth taxes tightened, golden visas cancelled — and abroad, by definition, one does not vote: one endures.

The table on the facing page is made to be reread at every purchase hypothesis: risk by risk, the signal that must switch the attention on and the defence the guide has already described.

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RISK	THE SIGNAL	THE DEFENCE
Title and planning	Documents "on their way", extensions narrated	Due diligence by the local lawyer before any signature (ch. 3)
Currency	Price, mortgage and rents outside the euro	Size it, hedge the large flows, currency account (ch. 4)
Liquidity	Thin local market, rare buyers	Capital that will not be needed; horizon beyond 5 years (ch. 9)
Management	No one to keep the keys	Property manager, policy, direct debits, single file (ch. 8)
Tax-reporting	RW and IVIE "next year"	Tax adviser from the deed; immediate correction if needed (chs. 5-6)
Local regulation	Plans on tourist licences, rules for foreigners	Check with the municipality before buying; a thesis that holds without (ch. 7)

TABLE 2 The map of risks, with signals and defences

> IN PLAIN WORDS
>
> The country risk of a foreign property has an awkward property of its own: it is concentrated. A securities portfolio withstands a thousand small news items; the house in Valencia depends on a single town council, a single neighbourhood market, a single rental law. It is not a reason not to buy — it is the reason not to buy too much.

10.2 Who should not buy at all

The list is short and saves years of regret. **Whoever counts on the rent to live**: the true net of chapter 9 is too thin and too variable to hold up a family budget. **Whoever buys in the place where they were happy for a week**: the holiday is a statistically fraudulent sample — chapter 11 proposes the alternative of trying first. **Whoever will not return**: the house used two weeks a year has a cost of keeping per night worthy of a grand hotel, without the room service. **Whoever wants no double bureaucracy**: two tax systems, two languages, two calendars are not a character detail — they are the trade of the foreign owner, and whoever detests it will do it badly. **Whoever would concentrate**: if the foreign home exceeds a quarter of total wealth, the problem is not the house — it is the proportion. And finally **whoever buys under commercial pressure** — the hotel seminar, the timeshare "today only", the time zone used as haste: in this market, as in all, the solicited signature is the wrong signature.

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Symmetrically, the right profile exists and is precise: wealth already diversified and liquid, real and repeated use over the years, a horizon beyond five, a taste — or at least patience — for administration, and the numbers of chapter 9 redone with one's own figures *before* the offer. For this profile, the home abroad is what it promises: a piece of life bought with method.

KEY TAKEAWAYS

- Six families of risk: title/planning, currency, liquidity, management, tax-reporting, regulatory — each with a signal and a defence already described by the guide.
- The foreign home is concentrated risk: one municipality, one market, one rental law — the reason not to buy too much.
- Resale has a narrow audience and long timelines: capital that may be needed is not walled up beyond the border.
- Should not buy: whoever lives on hoped-for rents, whoever generalises a holiday, whoever will not return, whoever hates double bureaucracy, whoever would concentrate, whoever signs under pressure.
- The right profile: diversified wealth, real use, a long horizon, administrative patience and the numbers redone for oneself.

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11 The alternatives, **on the scales.**

The desire behind the home abroad — a piece of life in another place, or a piece of wealth in another market — has more than one possible satisfaction. Before the signature, the method of this series demands the comparison: renting long, investing in foreign bricks via the markets, or truly trying before buying. The winner is whoever beats the comparison, not whoever arrives first.

11.1 Renting long: ownership without the marriage

For use — the six summer weeks, the three months of retirement — the direct alternative is the **repeated seasonal let**: the same house, or a better one, taken every year for the period actually needed. The numbers of chapter 9 make the comparison by themselves: ownership cost about **4,000 euros a year** with the house empty *plus* the opportunity cost of the capital — a prudent 3 per cent on 277,500 euros is another **8,300** — for a total of around **12,500 euros a year**; six weeks of a beautiful house in high season take **5-7,000** of it, with no foreign taxes, no meetings, no boilers, and the freedom to change coast, country or life every year. Renting loses the comparison only when the use is **long and repeated** — four, six months a year, for years — or when the plan is a true relocation: then ownership makes sense again, and that is exactly the case of the couple in chapter 9.

A wise variant for the almost-decided: **try before buying** — a year's rent in the chosen place, winter included. It is the test the holiday will never run: the town out of season, the real neighbours, the daily bureaucracy. It costs a fraction of the mistake it prevents, and more than one enthusiastic purchase has not survived it.

> IN PLAIN WORDS
>
> Buying for six weeks a year is getting married in order to dine out now and then. The long rental is the engagement: almost all the advantages, almost none of the lawyers — and you can always change restaurant.

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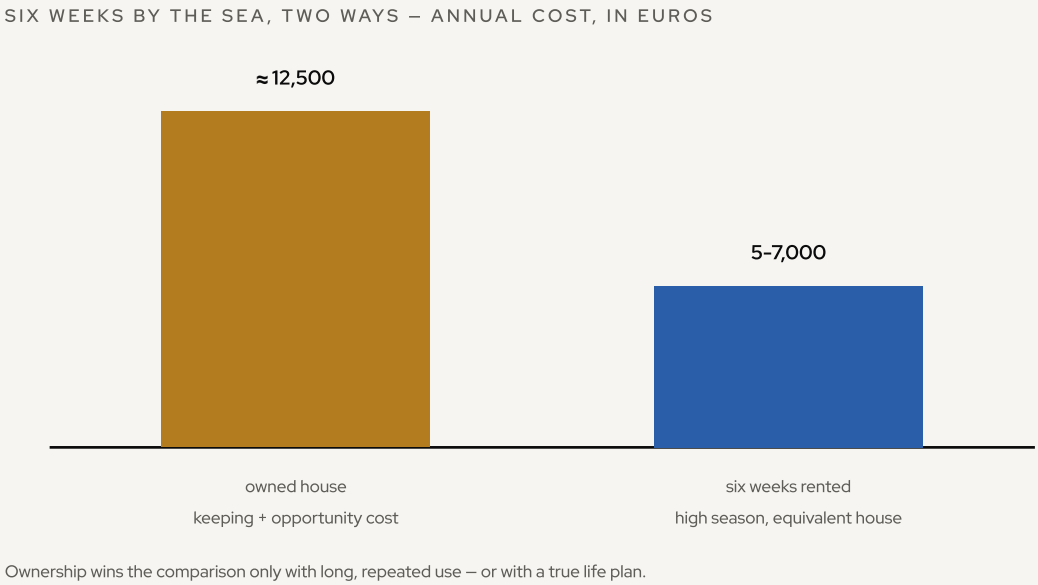

FIGURE 11 Six weeks by the sea, two ways

Hypothetical example from the guide's case

11.2 Foreign bricks via the markets, and the house in Italy

For **investment** – exposure to other countries' property – the comparison is even harsher: listed property funds and international REITs offer foreign bricks **diversified across hundreds of buildings**, sellable within the day, with no notaries, no keepers of keys and no quadro RW if held through an Italian intermediary – with their market risks, certainly, but with linear taxation and no boiler risk. Whoever wants to "invest in Spanish property" and does not need to sleep in it finds in the listed markets the clean version of the same idea: the single flat in Valencia, as a pure investment, loses the comparison almost always – on concentration, costs and toil.

And the last alternative is the most domestic: the **holiday home in Italy**, with one tax system, one language, the cedolare secca that does not exist abroad, and the sister guide on bricks and mortar already written to weigh it. This is not xenophilia in reverse: it is the arithmetic of system costs – every border crossed adds a legal system, and every legal system costs. The border should be crossed when life demands it, not to diversify a weekend.

11.3 The complete scales

The comparison in a table, for the desire of use and for that of investment. The reading method is the series' own: start from the **quantified need** – how many true weeks, how much capital, what horizon –, discard the rows that do not cover it, and among those left the winner is the **least invasive and most reversible**. The home abroad, in this hierarchy, occupies the same box as the bare ownership in the sister guide: the powerful, irreversible option chosen when the simple ones have been beaten by the

facts — the use is long and repeated, the plan is real, the numbers hold even in the crooked scenario. When it wins that written comparison, one signs with serenity; when it arrives before the comparison — dragged by a sunset, a seminar or a listing — chapter 10 has already said what that signature is called.

SOLUTION	INDICATIVE ANNUAL COST	COMMITMENT	REVERSIBLE?
Owned home abroad	~€12,500 (keeping + opportunity cost)	Two legal systems, long-distance management	No: resale takes years
Long seasonal rental	€5-7,000 for six high-season weeks	None	Yes, every year
A trial year renting	Local market rent	Low	Yes
REITs / listed property funds	Product costs	None (via an Italian intermediary)	Yes, within the day
Holiday home in Italy	See the sister guide on bricks and mortar	One legal system	No, but a deep market

TABLE 3 The alternatives compared

KEY TAKEAWAYS

- Ownership with the house empty: ~12,500 euros a year with the opportunity cost; six high-season weeks rented: 5-7,000 — renting wins until use becomes long and repeated.
- Try before buying: a year's rent, winter included, is the test the holiday will never run.
- For pure investment, REITs and listed funds offer the same foreign bricks, diversified, liquid and without a double legal system.
- The holiday home in Italy plays with one tax system and the cedolare secca: every border crossed costs an entire legal system.
- Method: quantified need → rows that cover it → the least invasive and most reversible wins; foreign ownership is signed when it beats the written comparison.

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12 Inheritance **across the border.**

Sooner or later every home abroad crosses the most delicate passage: the change of owner by succession. Here the three legal systems of chapter 1 appear all at once — the law governing who inherits, the tax offices that tax, the procedures to open on two shores — and the difference between a prepared family and an unprepared one is measured in years and in thousands of euros. It is the pivot chapter of the guide: to be read even if the succession seems far away.

12.1 Which law decides who inherits: the European regulation

Since 2015, successions with international elements are governed, within the Union, by **EU Regulation 650/2012**, which brought order with one simple rule: to the entire succession — foreign home included — applies **one single law**, that of the deceased's **habitual residence**. For the Italian resident with the house in Valencia, therefore, heirs and shares are decided by Italian law, with its forced-heirship rules; and the **European Certificate of Succession** lets the heirs prove their status before the Spanish register without duplicating the proceedings. The regulation also offers a precious lever: the **professio iuris**, the faculty of choosing in one's will one's **national law** — the move that gives certainty when life straddles several countries, and that the adviser of this series recommends putting in writing in every will with foreign assets.

Mind the perimeter, though: **Denmark and Ireland** do not take part in the regulation, and the **United Kingdom** is outside it — for the English cottage the succession "as of law" remains a double matter, with the local **probate** procedure alongside the Italian one. And outside Europe the geography of the individual jurisdictions applies: some apply the law of the deceased, others — for buildings — their own, and the planning must be built country by country, with a lawyer who knows both shores.

> IN PLAIN WORDS
>
> The European regulation turned a labyrinth into a corridor: one law, one certificate. But the corridor must be entered while alive — with the residence clear and, better, with the choice of law written into the will. The heirs can only walk the path they find.

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12.2 Who taxes: Italy on the world, the country on the asset

On the tax front the logic is that of the whole guide. **Italy**, if the deceased was resident, applies its own inheritance tax to **all assets wherever located** — foreign home included — with the familiar allowances: one million per spouse and child with a 4 per cent rate beyond, harsher thresholds and rates for the other degrees. The **country of the property**, almost always, taxes in turn the building on its own territory under its own rules — and here the distances are enormous: France reaches, between non-close relatives, rates the Italian struggles to believe; the United Kingdom applies its inheritance tax above the allowance; Spain varies region by region. Double taxation is softened by the **credit**: Italian law deducts from the inheritance tax the taxes paid abroad on the assets existing there, and with seven countries — **Denmark, France, Greece, Israel, the United Kingdom, the United States and Sweden** — dedicated treaties exist that allocate the taxing power (as a rule: the building to the country where it stands, the credit at home).

The practical result to fix: the foreign home **does not escape** the Italian tax by being far away, and **does not escape** the local one because the deceased was Italian. One pays roughly the higher of the two burdens, not the sum — but only if someone invokes credits and treaties with the papers in order.

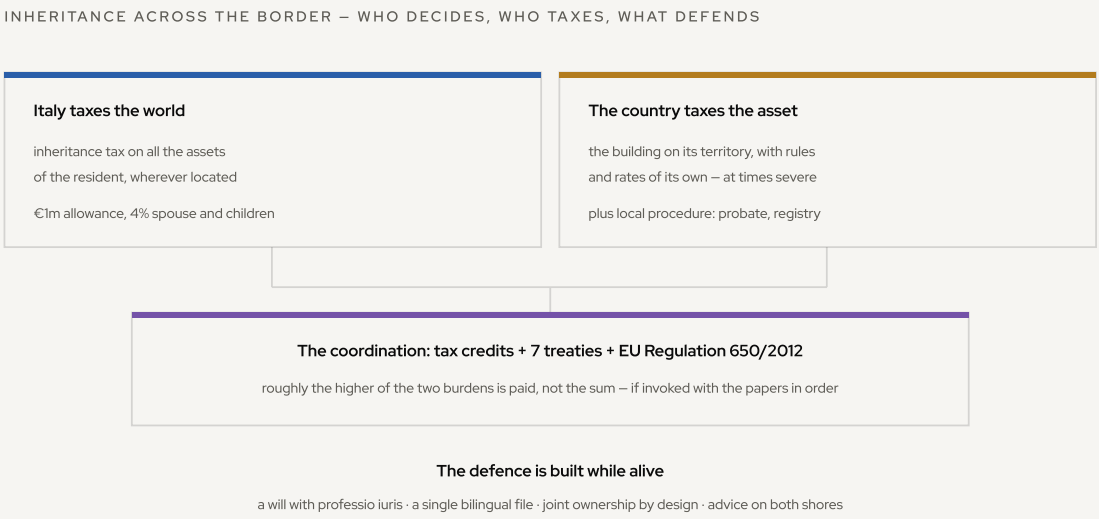

FIGURE 12 Who decides, who taxes, what defends — Legal framework as of September 2026

12.3 The double procedure, and what can be prepared while alive

Beyond the taxes there is the **procedure**, and this is where unprepared families lose years: the Italian succession return that must include the foreign asset; the local process — transfer at the register, the country's tax filings, probate where it exists — which requires Italian documents translated, apostilled, and a professional on the ground; the foreign account frozen until the local bank receives the papers it demands. Everything is slower, everything is in two languages, and everything costs double fees: it is the structural price of the border, and it is paid once — at the succession — all at once.

What is prepared while alive is therefore worth double. The **will with professio iuris** and a clear listing of the foreign assets. The **single file** of chapter 8, which spares the heirs the hunt for documents in Castilian. The **joint ownership designed in advance** — buying already in the composition one would wish to leave, where it makes sense. The assessment, with the tax adviser, of the **lifetime gift** with reserved usufruct — the instrument of the sister guide on bare ownership, which works across the border too but must be built with both legal systems on the table, because the foreign deed has its own local tax. And one line of truth to close: none of these moves is complicated today; all become impossible afterwards. The succession planning of the foreign asset is the only chapter of this guide that does not admit postponement as a strategy.

KEY TAKEAWAYS

- EU Regulation 650/2012: one single law — that of the habitual residence — governs the whole succession; the professio iuris in the will fixes the national law.
- Denmark and Ireland outside the regulation, the United Kingdom outside: for those assets the procedure remains double (probate included).
- Italy taxes the resident's worldwide succession; the country of the property taxes the building: credits and seven treaties avoid the full sum — if invoked.
- The procedure is double by construction: the Italian return with the foreign asset, the local process with translated, apostilled documents.
- While alive: a will with the choice of law, the single file, joint ownership designed in advance, possibly a gift with reserved usufruct built on both legal systems. Afterwards, it is late.

Invested capital is at risk: values can fall as well as rise.

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13 The words **of elsewhere.**

The words of property beyond the border, in alphabetical order and in plain language — with the acronyms of the two tax systems and the terms one meets before the notaries, real or absent, of half the world. Once learnt, every deed and every letter from the Agenzia becomes readable.

13.1 A–C

Apostille. The simplified legalisation that makes an Italian public document usable abroad (and vice versa) among the countries of the Hague convention: the constant companion of powers of attorney and succession deeds.

Arras (contrato de arras). The Spanish deposit: the buyer who withdraws loses it, the seller who receives it and withdraws returns it twofold. It binds much earlier than the Italian buyer imagines.

Beneficial owner. Whoever, beyond the names on paper, owns or controls a foreign asset: the criterion that decides who must fill in the quadro RW.

Closing. In the Anglo-Saxon rite, the completion of the transaction: funds and title change hands through each party's professionals and escrow, without a Latin notary.

CRS (Common Reporting Standard). The international automatic exchange of financial information: the reason the Italian taxman knows about foreign accounts before the return.

> IN PLAIN WORDS
>
> If a single entry had to remain, it is "worldwide taxation": the Italian resident is taxed on the entire world. Everything else in the subject — RW, IVIE, credits, treaties — is the administrative corollary of that one line.

13.2 D–L

Due diligence. The set of checks before the purchase: title, charges, planning, debts that follow the building. Abroad one buys the file, not the photograph.

Escrow. The fiduciary deposit with a third party who holds the funds until closing: the procedural safe of the Anglo-Saxon rite.

EU Regulation 650/2012. The European rule that assigns the entire succession to one single law — that of the habitual residence — and creates the European Certificate of Succession. Denmark and Ireland remain outside.

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European Certificate of Succession. The document, created by EU Regulation 650/2012, with which the heirs prove their status throughout the Union without duplicating the proceedings.

Freehold / Leasehold. Full perpetual ownership versus the time-limited right typical of English flats: the second wears out with the years remaining and must be priced for what it is.

IVIE. The Italian wealth tax on foreign buildings: 1.06 per cent a year on different bases inside and outside the EU, with a 200-euro threshold and a credit for local wealth taxes.

13.3 P–R

Probate. The Anglo-Saxon court procedure that administers a succession: for the English or American asset it opens alongside the Italian process, with its own timelines and fees.

Professio iuris. The choice, written in the will, of one's national law for the entire succession: the lever of certainty offered by EU Regulation 650/2012.

Property manager. Whoever keeps the keys and governs the asset at a distance: the distant owner's sense organ, from 8-15 per cent of long-let rents upwards.

Latin notary. The impartial public official of continental Europe who drafts the deed and keeps the registers: a cousin of the Italian one, but with checking perimeters that change country by country.

Lex rei sitae. "The law of the place of the thing": the principle by which many aspects of a building — and in several jurisdictions its succession — answer to the law of the country where it stands.

Quadro RW. The section of the Italian tax return that photographs foreign investments and assets for monitoring purposes and settles IVIE and IVAFE: the most forgotten and most penalised duty of the subject.

Ravvedimento operoso. Italy's voluntary-correction procedure for reporting lapses, with reduced penalties: it rewards whoever moves as soon as the error is found.

13.4 S–W

SCI (Société civile immobilière). The French property partnership used to own in several hands: legitimate uses, but reporting and succession duties to be weighed with the tax adviser.

SDLT / ITP / IMT. The transfer taxes of the United Kingdom, Spain and Portugal: the entry tolls that push the true outlay beyond the price on the board.

Substitution effect. The rule by which the foreign property not rented out and subject to IVIE bears no notional IRPEF as well: the wealth tax absorbs the Italian levy.

Taxe foncière / IBI / property tax. The local wealth taxes of France, Spain and the United States: they are deducted from IVIE, with the receipts in order.

Timeshare. The right to enjoy a dwelling for recurring periods: perpetual fees, near-zero resale. In the hierarchy of this series, a subscription disguised as a property.

Title insurance. The American insurance against defects in title: in the rite without a notary, the safety net one buys.

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Worldwide taxation. The principle by which the Italian resident is taxed on income and assets wherever located: the first line — and the last — of the entire subject.

KEY TAKEAWAYS

- The acronyms of the two tax systems — RW, IVIE, CRS, foncière, IBI — are few: learnt once, every letter becomes readable.
- When the glossary's answer is not enough, the deeds, the two tax advisers and — for successions — the EU regulation and the treaties have the last word.
- No glossary replaces the method of chapter 9: the complete numbers, from entry to exit, before any signature.

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FAREWELL

The border is **only the beginning.**

This guide ends here; the decisions do not. The home abroad is a piece of life bought in another legal system — and like every important purchase it pays off only at the service of a project: the semester that lengthens the summer, the market that truly diversifies, the house that awaits a return.

If questions about your own situation emerged as you read — whether the purchase stands the comparison with the alternatives, how an asset never declared is put right, how the inheritance of what lies beyond the border is prepared — it is the sign that the most useful part of the work begins now.

A confidential conversation, with no obligation, is the simplest way to find out together. The contact details are on the last page.

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DISCLAIMER

To be read **before deciding.**

This guide has an exclusively educational and informative purpose. It does not constitute investment advice, a personalised recommendation, a solicitation of public savings or an offer of financial instruments. Investment decisions should be taken only after an assessment of one's personal situation — objectives, time horizon, capacity to bear losses — where necessary with the assistance of a professional.

Invested capital is at risk. The value of any investment can fall as well as rise; past performance is not indicative of future performance. Property valuations are estimates: the values actually realisable depend on the local market, on selling times and on the condition of the individual asset, and can differ even substantially from the estimates. Decisions on property, gifts and successions have significant and often irreversible effects: before acting, professional advice is appropriate (notary, tax adviser, consultant).

The data and rules cited are updated to September 2026, unless otherwise indicated. Legislation — tax legislation in particular — changes over time: before any decision it is worth checking that the picture described is still current. The data come from public sources believed reliable (Agenzia delle Entrate, Italian and European legislation, market practice), which however are not guaranteed. The rules of individual foreign countries change frequently and must be checked with local professionals before any decision.

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