

MASSIMILIANO SILLA

MULTI FAMILY OFFICE

The weight of **property.**

What the family's real estate is really worth, what it costs and what it earns — and how to decide what to keep, what to transform and what to let go. An independent guide for those who own.

LIVING INCOME LEGACY

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WHY THIS GUIDE

Half of all wealth, **looked at properly.**

Three Italian families out of four own the home they live in, and bricks and mortar account for roughly half of household wealth. Yet almost nobody treats real estate with the care reserved for everything else: its value is known "more or less", the costs it generates every year go uncounted, and the question that surfaces in so many conversations — "do I own too much property?" — is left without a method for answering it.

This guide applies the series' method to property: the inventory no family has ever compiled, the weight on total wealth and the criteria for judging it, the true yield net of everything, the jobs of each property — the home, the income, the sleeper — and the decisions: rebalancing, transforming, passing on. Ending with the tax chapter, where property reserves its greatest advantage precisely at the moment of handover.

It is an independent guide: it sells neither properties nor products, and has nothing to place. When the numbers say property pays, it says so; when they say the opposite, likewise. It provides the foundations — the ones every owning family should have before deciding.

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 term does not add up, the answer is there.

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PROPERTY AT A GLANCE

The family estate, **in six numbers.**

3 in **4**

Italian families who own the home they live in: among the highest shares of the large economies.

≈ **50%**

The share of household wealth held in real estate: the property decision is the wealth decision.

2–3.5%

The realistic net yield of a well-managed rental — not the shop-window 5.

1–2%

The annual cost, relative to value, of a property that produces nothing: the price of the property that sleeps.

≈ **−60%**

The typical discount of the cadastral base to the market: property's advantage in succession.

5 years

Beyond which a sale generates no taxable capital gain — one of the three doors to exemption.

Sources: ISTAT, Banca d'Italia, OMI-Agenzia delle Entrate, 2024-2025; rules as of September 2026. Indicative, rounded figures. Property valuations are estimates and realisable values may differ.

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PART ONE · CHAPTERS 1–4

The **picture.**

How much property there is, what it is really worth, what it earns net of everything: the inventory no family has ever made, the weight on the estate and the yardstick to judge it.

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01 A nation **of homeowners.**

Three Italian families out of four own the home they live in, and bricks and mortar account for roughly half of household wealth: no other large European country has entrusted it with so much. This chapter traces where that trust comes from, what part of it is well founded and what part merely inherited — and why the question "do I own too much property?" has become one of the most frequent in wealth conversations.

1.1 How much property sits in Italian portfolios

Numbers first, opinions later. In Italy roughly **three families out of four** own the home they live in — one of the highest shares among the large economies — and many own more than one: second homes, inherited flats, garages, land. In the overall household balance sheet, real estate is worth **around half of total wealth**, and for a great many families — especially outside the big cities and in the older generations — it comfortably exceeds two thirds.

This concentration is not a flaw in itself: it is a **historical choice** with its own reasons. But it produces an arithmetical consequence that few bring into focus: for the typical Italian family, **the property decision is the wealth decision** — it weighs more than any choice about funds, shares or bonds, simply because it moves larger sums. Careful management of the securities portfolio alongside distracted management of the properties is like weighing the flour to the gram and the yeast by eye.

Hence the task of this guide: to apply to bricks and mortar the same method the sister guides apply to financial instruments — count, measure, compare, decide. With no prejudice in either direction: property is neither the infallible refuge of tradition nor the mistake to be liquidated of modern finance. It is an asset class, with its jobs and its costs — and it deserves the same open eyes as the others.

> IN PLAIN WORDS
>
> Half of all wealth in a single asset class is like a pantry with half the space taken by a single food: it may well be a good food — but the first question, on opening the doors, is whether that proportion is a choice or merely a habit.

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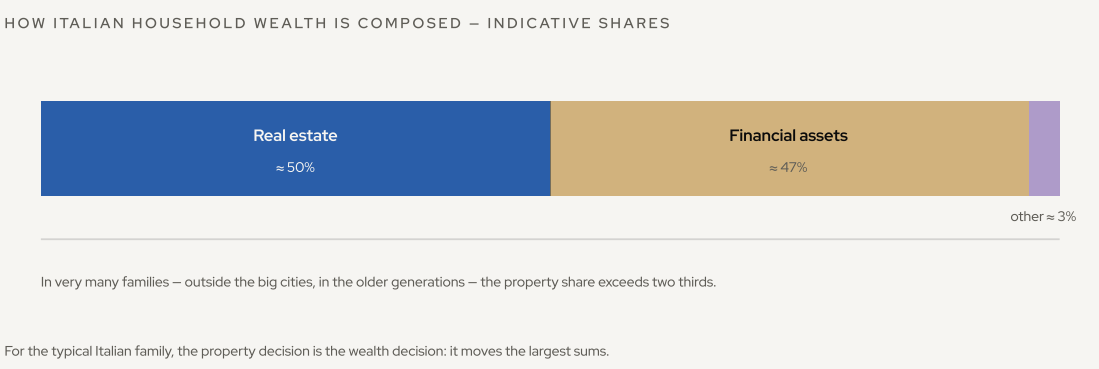

FIGURE 1 How household wealth is composed — Istat–Banca d'Italia, household wealth at end-2024; rounded shares

1.2 Where the trust in bricks and mortar comes from

The Italian preference for property has solid roots, and anyone who wants to reason about it must first acknowledge them. There is a **historical** reason: generations that watched the lira devalue and financial savings erode found in the house an asset that could not be wiped out by inflation or a bank failure. A **tax** reason: the main home is exempt from IMU, the annual municipal property tax (luxury categories aside), and — as we shall see in chapter 12 — passing property to heirs enjoys a favourable taxable base. A **practical** reason: a house produces a real service, housing, which no security produces. And an immensely powerful **psychological** reason: property can be seen and touched, and above all **it has no price on display every day** — no statement shows its swings, so it "never loses".

Each of these reasons contains a truth and hides a misunderstanding. The inflation property was meant to beat has, over the past fifteen years, in many parts of Italy **beaten property on the way down** — real prices outside the big cities have fallen, as chapter 4 will document. The exemption applies to the main home, while second homes pay every year. The service of housing applies to the home one lives in, not to the empty one. And the serenity of the invisible price is the same optical smoothing already met in the guide on private markets: **not seeing the swings does not mean not having them** — it means discovering them all at once on the day you sell.

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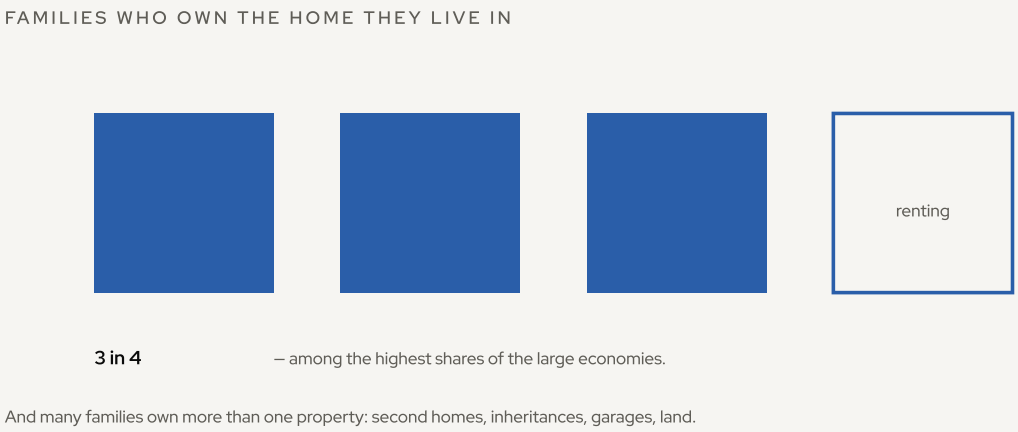

FIGURE 2 A nation of homeowners Source: ISTAT – rounded figures

1.3 The right question (and the path of this guide)

"Do I own too much property?" is by now one of the most frequent questions in wealth conversations – and it is almost always asked badly, as if there existed one right percentage valid for everyone. There isn't: the answer depends on **what each property does** for its owner, on how much liquidity the life one wants to live requires, and on what is meant to happen to that wealth afterwards.

The guide therefore proceeds in three stages. **Part one** builds the picture: the inventory almost no family has ever compiled, the measure of property's weight on total wealth, and the calculation – merciless but necessary – of the true yield, net of everything. **Part two** sorts properties by job: the home you live in, the property that works by producing income, the one that sleeps producing only costs, and the ways out and through when the set-up needs to change. **Part three** faces the decisions: how to rebalance an over-propertied estate without trauma and without fire sales, the risks property carries with it, the delicate chapter of heirs, and taxation – where property reserves its most concrete advantage precisely at the moment of passing on.

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A promise of method, as throughout the series: no preconceived thesis. At the end of the journey some readers will discover they own too much property, others that they own the right amount, others still that the problem is not how much they own but **which** — and all of them will have the numbers to say it, instead of the sensations.

KEY TAKEAWAYS

- Three families out of four are homeowners, and property is worth about half of household wealth: for the typical Italian family, the property decision is the wealth decision.
- The trust in bricks and mortar has real reasons — historical, fiscal, practical — and one misunderstanding: a price you cannot see swinging is not a price that does not swing.
- Over the past fifteen years, outside the big cities, real prices have fallen: the refuge had its losses too, just without a statement.
- There is no right percentage of property: there are the jobs each property performs — or fails to perform — for its owner.
- The method is the series' own: count, measure, compare, decide. Numbers in place of sensations.

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

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02 Count first, **then decide.**

Almost no family owns a complete list of its properties with realistic values, annual costs and yields: things are known "more or less". This chapter builds the inventory — what to record, how to estimate values without wishful thinking, which costs to count — because every decision in the chapters that follow starts here.

2.1 The census: one line for every property

The inventory is built with a simple discipline: **one line for every property**, none excluded — the main home, the second homes, the rented flats, the ones inherited in co-ownership with siblings and cousins, the garages, the cellars, the farmland and building plots, the shares of property abroad. For each, the columns that matter:

- **Identity**: where it is, its cadastral category, who owns it and in what share (full ownership, bare ownership, usufruct, co-ownership);
- **Realistic market value** — the subject of the next section — and any **outstanding mortgage**;
- **What it produces**: rent, direct use, or nothing;
- **What it costs each year**: IMU, service charges, routine maintenance, insurance, utilities borne by the owner;
- **Condition and outlook**: state of the property, energy class, works foreseeable over the next ten years.

Two warnings from experience. First: **inherited co-ownerships** must be recorded even if "nothing can be done with them anyway" — precisely those lines, as we shall see in chapter 7, are often the most expensive in the estate. Second: the inventory is a living document — updated once a year, it becomes the dashboard of every decision; compiled once and forgotten, it reverts to the vague impression it was meant to replace.

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FIGURE 3 The five columns of the inventory — Method diagram

2.2 Estimating values without wishful thinking

The most delicate column is the **value**: nearly every owner has one in mind, and it is nearly always the wrong one — the price paid years ago, the figure "the flat downstairs went for" (optimist's version), or sentimental value dressed up as an estimate. The inventory needs colder criteria, in increasing order of precision and cost:

- **The OMI quotations** of the Agenzia delle Entrate, Italy's revenue agency: free, by area and property type, expressed in euros per square metre. Useful as a base, but they are half-yearly area averages: they see neither the floor, nor the condition, nor the view.
- **The listing portals**, read with the right corrective: what they display are *asking prices*, not closing prices — the average gap between asking and closing in Italy has historically run between 5 and 12 per cent, and selling times outside the big cities are measured in many months.
- **A valuation from a serious agency** or, for major decisions, a professional **appraisal**: they cost money (the latter), but they are the only number on which to base choices worth hundreds of thousands of euros.

The inventory's rule is prudence: **when in doubt, the lower value**. An estate valued generously produces wrong decisions in every later chapter — property weights understated, yields overstated, sale expectations the market then refutes with the bill of months spent waiting.

> IN PLAIN WORDS
>
> The value that counts is not the one you would be happy to sell at: it is the one a real buyer, within six months, would sign for. Between the two numbers there is often 15 per cent — and that is exactly the space where property disappointments live.

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2.3 From gross to net: mortgages, shares, encumbrances

The final pass turns the list into a balance sheet. From each property's gross value subtract any **outstanding mortgage**: true property wealth is the **net** figure, and a €400,000 house with a €250,000 mortgage weighs €150,000 in the balance sheet — even if in the owner's perception it weighs €400,000.

Shares must be taken seriously: owning one sixth of grandmother's flat together with five cousins is not worth one sixth of the market value — it is worth less, often much less, because a minority share in co-ownership is nearly unsellable to third parties and its liquidation depends on agreement (or courtroom quarrel) with the others. The inventory records the arithmetical value of the share **and**, next to it, its real marketability: it is the difference between a number and an asset.

Finally, the **encumbrances** count: a parent's usufruct, a right of residence, a flat lent rent-free to a child, a lease with a distant expiry and a frozen rent, a heritage restriction. Each legitimately reduces what can be decided and collected from that property today. The inventory's end result is a table no bank statement will ever provide: property wealth **net, by effective shares, with the encumbrances declared**. It is the photograph on which, in the next chapter, the weight is measured.

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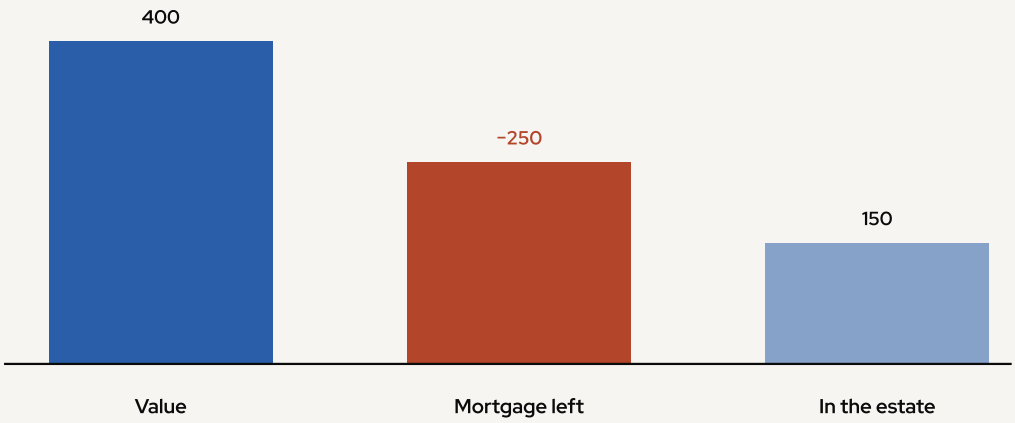
THE €400,000 HOUSE WITH A €250,000 MORTGAGE — ITS TRUE WEIGHT



In perception it weighs 400; in true wealth, 150. Every line of the inventory is cleaned this way.

FIGURE 4 From gross value to net wealth

Hypothetical example

KEY TAKEAWAYS

- One line for every property, including the "blocked" inherited co-ownerships: they are often the most expensive lines.
- Values are estimated coldly: OMI as a base, listings with the asking-to-closing discount (5–12%), an appraisal for the big decisions. When in doubt, the lower number.
- True wealth is net of mortgages: the 400 house with a 250 mortgage weighs 150.
- Co-ownership shares are worth less than their arithmetical value: marketability is part of the value.
- The inventory, updated every year, is the dashboard of all the decisions in the chapters that follow.

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

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03 How much it weighs, **really.**

With the inventory in hand, the weight takes a minute to calculate: net property divided by total wealth. The hard part is judging it — because there is no universally right percentage, but there are precise criteria: the liquidity life requires, the concentration inside the property itself, age and the plan. This chapter lines them up.

3.1 The calculation, and the three bands of experience

The **property weight** is the ratio of the net value of real estate to overall wealth — property plus financial assets, cash, any business holdings. With the inventory of chapter 2 the calculation is immediate; the reading requires more care, because the number alone neither condemns nor absolves.

The experience of family estates does, however, suggest three indicative bands. **Up to about half** of the estate, property usually coexists well with the rest: there is room for liquidity, for the unexpected, for financial goals. **Between half and three quarters**, the estate begins to stiffen: financial decisions grow narrow, the big surprises (an illness, an opportunity, a divorce) find little cash, and the family's fortune depends overwhelmingly on a single market. **Beyond three quarters** — an utterly common situation in Italy — the estate is in effect a property portfolio with a current account beside it: every tremor in the market, every new tax, every flat that falls empty cuts directly into the standard of living that is possible.

These are bands, not verdicts: an eighty-year-old with a rich pension and a beloved home can rest easy at 80 per cent; a fifty-year-old with children to set up and a variable income can be fragile already at 60. The number opens the question — the three sections that follow turn it into an answer.

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FIGURE 5 The three bands of property weight

Criteria of experience, not statutory thresholds

3.2 The first criterion: the liquidity life requires

The most important criterion does not look at the properties: it looks at **everything else**. The right question is not "how much property do I own?" but "**how much liquid wealth is left to me**, and is it enough for the life ahead of me?". The non-property part of the estate must cover, with margin: the **reserve for the unexpected** (the equivalent of one to two years of expenses, the common-sense rule of all planning); the **dated goals** – children's studies, help with their homes, projects – which the guides in this series teach to fund with maturity-dated instruments; and, for those near or in retirement, the **income top-up** for the years when the pension will not suffice.

Once that subtraction is done, the judgement on the property weight changes nature: it is no longer an abstract percentage but a concrete test. If the liquid part covers reserve, goals and top-up, then the property – whatever percentage it occupies – **can be afforded**. If it does not cover them, the estate is unbalanced *whatever* the averages say: and the way out is not necessarily to sell tomorrow morning (chapter 9), but to know that in every year the imbalance persists, it is life itself that serves as the reserve – postponing expenses, shrinking goals, living below the means an estate of that size ought to guarantee.

> IN PLAIN WORDS
>
> It is the pantry-and-fridge test: you can have a cellar full of prized preserves, but if tonight's dinner is missing from the fridge, the cellar does not feed you – and opening a collector's jar every time you are hungry is the most expensive way to eat.

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3.3 The second criterion: concentration inside the property

Two estates with the same property weight can carry very different risks. Sixty per cent in real estate can mean three income flats in two different cities — or one single large property in the town of origin, held moreover in co-ownership with the siblings. The percentage is the same; the exposure is not.

Inside the property, then, one measures the **concentrations**: geographical (everything in the same municipality, often the same neighbourhood — the estate's fate tied to the fate of one local market, of a factory that closes, of a railway line that arrives or does not); of **type** (all residential, or all in a category the market is abandoning); of **quality** (dated buildings, low energy classes: chapter 10 will explain why this weighs more every year); and of **title** (undivided shares, criss-crossed usufructs: the wealth is there but does not answer the controls).

Perfect diversification is not the goal — property is not an ETF, and nobody buys a two-room flat in Lisbon to "balance" the one in Turin. The goal is **awareness**: knowing that one's true property risk is, say, "the dated residential market of a mid-sized northern city, in shares not fully at my disposal" — because it is on that specific risk, not on bricks and mortar in the abstract, that the following chapters will reason.

3.4 The third criterion: age and the plan

The right weight, finally, has a calendar. Property is a **slow** asset: it sells in months, divides with difficulty, and demands energies that diminish with the years. A heavily property-based estate at forty is a choice; at eighty it often becomes a burden — paperwork, maintenance, tenants, condominiums — that lands on the children's shoulders even before the inheritance does.

The criterion of the plan therefore asks: **what must this estate do over the next ten to twenty years?** Sustain its owner's standard of living: then what counts is the net income it produces (chapter 4), and sleeping property is a luxury to be measured. Pass to the children: then what counts is divisibility — three properties divide among three children; one large property does not, and chapter 11 tells how hereditary co-ownerships end up — and the tax advantage of the transfer (chapter 12), which is real and should be used with intelligence, not suffered out of inertia. Fund a season of life — the sale of the business, a relocation, old age with care: then the future liquidity must be **prepared in good time**, because property sold in a hurry is property sold at its worst.

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With these three criteria, the number of the weight becomes a judgement. The second part of the guide now steps inside the portfolio, property by property: because the step after the question "how much?" is always the question "**which?**".

KEY TAKEAWAYS

- The weight is calculated on the net inventory; it is judged with three criteria, not with a magic percentage.
- The bands of experience: up to ~50% it coexists well; 50–75% the estate stiffens; beyond 75% it is a property portfolio with an account beside it.
- First criterion: the liquid part must cover reserve, dated goals and income top-up. If it does not, life itself serves as the reserve.
- Second criterion: inside the property, the concentrations count — geographical, of type, of quality, of title.
- Third criterion: the calendar. Property is slow, and the weight sustainable at 40 can become a burden at 80.

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04 The yield, **net of everything.**

"It yields 5 per cent" — almost always means: the gross rent divided by the value, before everything the property takes away. This chapter does the whole sum: from the shop-window rent to the income that actually arrives, and from the myth of perpetual appreciation to the real prices of the past twenty years. Not to demolish property: to compare it on equal terms.

4.1 From gross rent to net: the cascade of costs

The shop-window yield of a rental — annual rent divided by the property's value — in Italy typically runs between **4 and 6 per cent gross** for residential. The true yield is obtained by removing, one by one, the items the gross figure hides:

- **Vacancy and turnover**: empty months between tenants, an agency to find the next one. Over long horizons, prudence says one month a year on average: roughly −8 per cent of the rent.
- **Maintenance and service charges** borne by the owner: routine every year, major works in waves (façade, roof, boiler). Rule of experience: 1-1.5 per cent of the property's value per year, averaged over decades.
- **IMU** on the rented property (at the municipal rate) and **insurance**;
- **Tax on the rent**: at best the cedolare secca, the flat-rate rental tax (chapter 6), otherwise progressive income tax at its brackets;
- **Arrears**: not everywhere and not always — but when they arrive they cost lost rents and long procedures, and on average they belong in the sum.

The realistic result, for a well-managed residential property in a healthy area, is a net yield between **2 and 3.5 per cent** — better in the big university cities, worse in weak markets. It is a respectable yield; it is also, and this is the point, **barely half the shop-window number** with which property is habitually described and compared.

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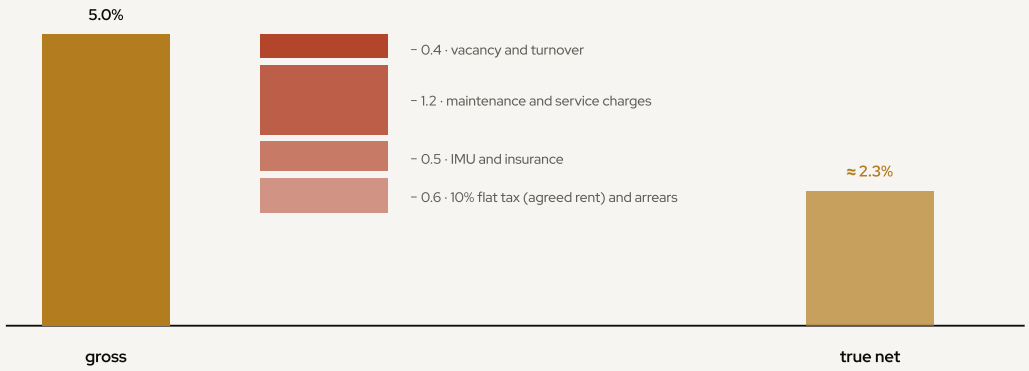
IN PLAIN WORDS

The gross rent stands to true income as the gross salary stands to what lands in the account: nobody plans their life on the gross — except, for some reason, when talking about rents.

FROM THE SHOP-WINDOW 5% TO THE TRUE NET — RESIDENTIAL LETTING AT AGREED RENT, EXAMPLE



Example numbers to redo for each property: the realistic net of well-managed residential sits between 2 and 3.5 per cent.

FIGURE 6 From gross rent to the true net — Illustrative example, at agreed rent

4.2 Appreciation: what prices really say

To the rental yield one adds — or subtracts — the change in value. And here Italy's collective memory, formed in the boom decades, struggles to update itself to the data. Italian house prices, **net of inflation**, went through a long decline after the 2007-2008 peak; the recovery of recent years has been real but concentrated, and — measured in purchasing power — the average Italian home is today worth **substantially less** than its peak of fifteen to twenty years ago. With a sharp split: **Milan and a few other cities** have raced ahead; the mid-sized provincial capitals have more or less held in nominal terms (that is, lost in real terms); the peripheral markets and small towns have lost even in nominal terms.

This is not destiny: it is the record of two decades, and the next twenty years may be different. But three lessons remain. First: **"property always appreciates" is false** — it was true in a demographic and economic season that is not the present one, with Italy losing population and demand concentrating where the work is. Second: appreciation, when it comes, is **local** — one buys an address, not "bricks and mortar". Third: the honest comparison with alternatives must be made on the **total** — net rent plus real change in value, minus transaction costs — and on that yardstick the average Italian property of the past twenty years has not beaten a balanced financial portfolio: it came in behind, with more effort and less liquidity.

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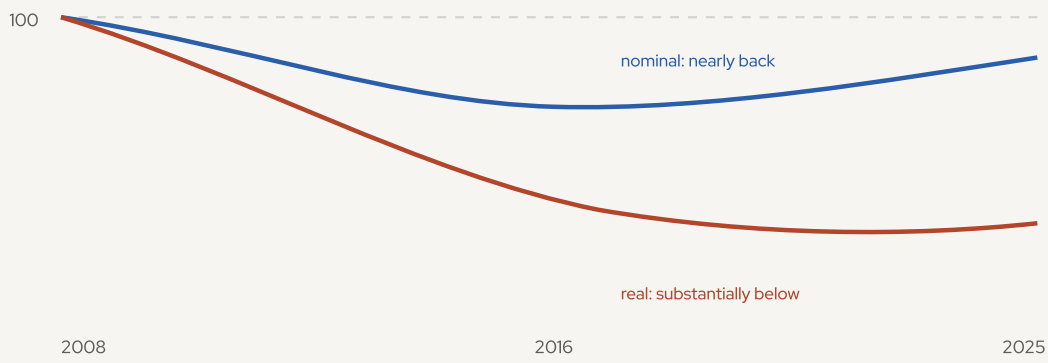
ITALIAN HOUSE PRICES SINCE THE 2008 PEAK — INDEX, ILLUSTRATIVE PATH



With a split: Milan and a few cities have raced; peripheral markets have lost even in nominal terms.

FIGURE 7 Nominal and real prices since 2008 Illustrative path based on ISTAT-OMI data

4.3 The comparison on equal terms (and what the numbers do not measure)

With the pieces lined up, the comparison with financial alternatives becomes possible and honest in both directions. In property's favour: income **linked to inflation** (rents adjust, albeit with delays and contractual limits), the possibility — unique — of **using** the asset, a function of forced saving discipline that for many families has worked better than any financial plan, and the tax advantage in the generational transfer that chapter 12 will quantify. Against: a net yield **no higher** than that of far simpler alternatives (the reader of the bond guide knows what a portfolio of securities earns with no vacancies and no boilers), **illiquidity** with its full transaction costs — between taxes, agency and notary, buying and reselling burns around 10 per cent of the value — **concentration** by nature, and the management time, which is a cost even when it appears in no account.

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The chapter's conclusion is not a ranking: it is a yardstick. From now on, every property in the inventory has two numbers beside it — **its true net yield and the yield of the alternative** at equal perceived risk — and every "property pays" pronounced at the family table or at the branch counter can be checked in thirty seconds. The second part of the guide applies exactly this yardstick, property by property: because the home you live in, the one you rent out and the one standing empty are not playing the same game — and judging them with the same number is the error this guide wants to see the reader off from.

KEY TAKEAWAYS

- From the 4-6 gross of the shop window to a real 2-3.5 net: vacancy, maintenance, IMU, tax and arrears halve the number with which property is described.
- Maintenance is counted in decades: 1-1.5 per cent of the value per year, averaging routine and major works.
- In real terms the average Italian home is worth less than its peak of fifteen to twenty years ago: appreciation is local, not a right.
- Buying and reselling costs around 10 per cent: illiquidity has a full price that the honest comparison includes.
- The yardstick from now on: true net yield against the alternative at equal risk — for each property, not for bricks and mortar in the abstract.

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

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PART TWO · CHAPTERS 5–8

The **jobs.**

Every property does a job, or fails to do one: the home you live in, the property that works, the one that sleeps — and the ways out when the set-up needs to change.

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05 The house **you live in.**

The main home is the best-loved property and the most misunderstood: it is not an investment — it is a very long-term consumption with an asset attached. This chapter gives it its proper place in the balance sheet: what it really produces, how much house is too much house, and when yesterday's right home stops being today's.

5.1 A consumption with an asset attached

The home you live in produces a true but peculiar return: **the rent you do not pay**. Economists call it imputed rent, and for an average family it is worth 3-4 per cent of the property's value each year — a real return, free of tax, collected in the form of rent bills that never arrive. To this add the non-financial benefits — stability, freedom to alter, roots — which no spreadsheet measures but every family knows.

Precisely for this reason the main home **must not be judged with the yardstick of chapter 4**: it is not competing with BTPs, Italy's government bonds, because it performs a job BTPs cannot do — putting a roof over your head. The symmetrical error, though, is to consider it "an investment" in the financial sense: an investment is something that can be sold to fund your life, and the home you live in **cannot be sold without ceasing to live in it**. In the family balance sheet it should therefore be treated as what it is: a real asset producing the housing service, whose liquidation is possible only by changing your life — moving, downsizing, or activating the instruments of chapter 8.

> IN PLAIN WORDS
>
> The main home is like the car of someone who drives for a living: precious, even indispensable — but no taxi driver counts the taxi among the savings that will keep him in old age. Its job is written on it, and it is a different one.

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5.2 How much house is too much house

If the home is not judged by yield, it is judged by **proportion**. A main home worth a contained share of the estate is a service well bought; one that absorbs two thirds of a family's wealth — an extremely common situation — is a choice that deserves at least to be seen for what it is: **nearly all the family's wealth converted into square metres for its own use**.

The signs that it is "too much" are concrete, and they matter more than percentages. The first is the liquidity test of chapter 3: if after the house there is not enough left for reserve, goals and income top-up, the house is consuming the rest of financial life. The second is the **cost of upkeep**: a large, dated house can absorb — between service charges, utilities, maintenance and works — a share of income that squeezes everything else; and it is a cost that grows precisely when income falls, in retirement. The third is **misalignment**: the house bought for a family of five that now hosts two; the flights of stairs that turn hostile; the neighbourhood chosen for the children's schools when the children are forty.

None of this obliges anyone to sell: it obliges them to **decide consciously**. Staying in an oversized house can be a legitimate choice of affection and roots — provided the family knows it is paying for it, how much it is paying, and that the alternatives of the next section exist.

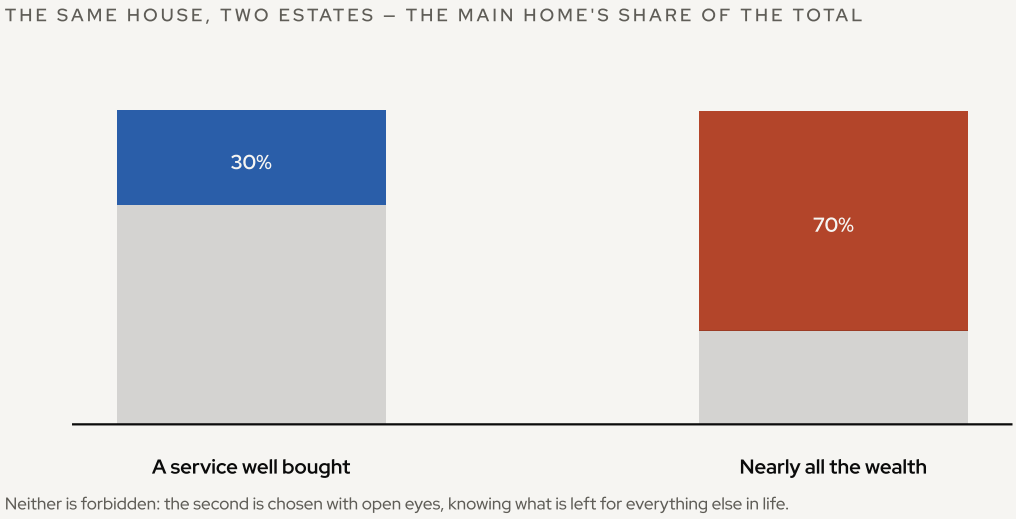

FIGURE 8 The same house, two estates — Illustrative example

5.3 Moving, downsizing, staying: the sums of the three roads

Downsizing — selling the big house, buying a more suitable one, freeing the difference — is on paper the most powerful wealth operation available to a mature family: it converts unused square metres into capital that produces income and into liquidity that gives margin. In practice it must be done with the numbers of chapter 4 in front of you: the **transaction costs** of the double move (selling and re-buying)

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eat up around 10 per cent of the value moved, which means downsizing pays when the difference freed is **substantial** — not for marginal adjustments — and when it comes **at the right time**: done at seventy it is a choice; at eighty-five, under the pressure of necessity, it becomes a race run at a disadvantage.

The **prima casa reliefs** — Italy's main-home purchase reliefs: registration tax at 2 per cent instead of 9 when buying from a private seller, VAT at 4 instead of 10 from a developer, with residence requirements and the obligation not to resell within five years without re-buying — accompany the move and must be used by their rules, which the notary knows; chapter 12 returns to them in the overall picture.

And **staying**, finally, is the third legitimate road — provided it is prepared: adapting the house to the years to come (the lift, the bathroom, the energy class of chapter 10), placing its value inside the estate planning of chapter 11 instead of leaving it as a problem in the inheritance, and — if the estate is nearly all there — knowing the instruments that turn a house into income without leaving it, from bare ownership onwards. Chapter 8 reviews them: because the home you live in is also the family's last asset, and the last asset deserves a plan, not a taboo.

KEY TAKEAWAYS

- The main home earns the rent you do not pay (3-4 per cent imputed, tax-free): a real job, which is not that of an investment.
- It is judged not by yield but by proportion: nearly all the wealth in square metres for one's own use is a choice to make with open eyes.
- The signs of too much: the liquidity that is not left, the upkeep that grows as income falls, the house misaligned with present life.
- Downsizing is powerful but costs ~10 per cent in transactions: it pays if the difference is substantial and if done at the right time, not under necessity.
- Staying is legitimate, if prepared: adapt the house, place it in the succession, know the instruments that turn it into income without leaving it.

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06 Property **that works.**

The income property is the only one playing the same game as financial instruments, and it must be judged with the same yardstick. This chapter walks through the letting regimes — open-market rent, agreed rent, short lets — with their true tax numbers, and the management rules that separate solid income from a source of trouble.

6.1 Long lets: open-market, agreed rent, the flat tax

Ordinary residential letting in Italy runs on two contractual tracks. The **open-market rent** ("4+4"): market rent, four-year renewable term. The **canone concordato** ("3+2"), the agreed rent: a capped rent within tables defined locally by the trade organisations, in exchange for tax advantages; the contract can be signed wherever local agreements exist, but the 10 per cent flat tax applies only in municipalities under housing pressure and in the provincial capitals, which in practice means the cities where investing makes sense.

On tax, the near-obligatory choice for the private landlord is the **cedolare secca**, the flat-rate rental tax: a substitute tax absorbing income tax, surcharges, registration and stamp duty, at **21 per cent** on the open-market rent and **10 per cent** on the agreed rent — giving up, in exchange, the inflation indexation of the rent. The 10 per cent on agreed rents is one of the most generous regimes in Italian taxation, and it changes the ranking: an agreed rent below market, taxed at 10 (with IMU cut by 25 per cent by law, and by more in some municipalities), can leave in your pocket **as much as or more than** an open-market rent taxed at 21 — with a tenant who is on average more stable. It is a sum to be done city by city, tables in hand, but it must be done: those who let "at full rent" by instinct often work for the taxman.

Finally, the discipline of chapter 4 applies: whichever track you choose, the yield is judged **net of the full cascade** — not at the signing of the contract but over the average of the years, vacancies and boilers included.

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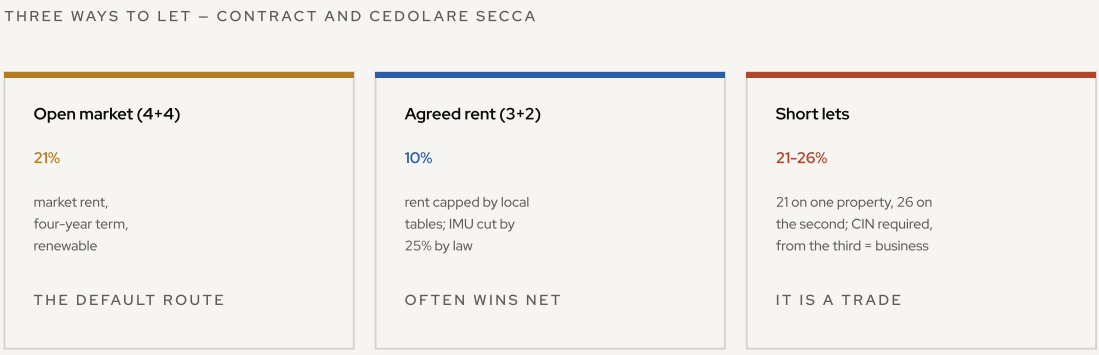

FIGURE 9 The regimes of residential letting — Rules as of September 2026

6.2 Short lets: a trade, not an annuity

The short tourist let is the commercial promise of the decade: gross takings even double those of a long let. The promise is true; so is what comes with it. The **takings** are gross of platform commissions, cleaning, utilities, linen, check-in management or the operator who handles it (typically keeping 20-30 per cent), and of a **seasonality** that outside the strong destinations leaves many months empty. The **tax** regime has hardened: the flat-rate tax on short lets is **21 per cent on one property** and rises to **26 per cent on the second**; from the third flat used for short lets, as of 2026, the activity is presumed to be a business, with an entirely different regime. The **CIN** (the national identification code) and the safety requirements are compulsory, many municipalities impose their own limits and rules, and the regulatory direction — in Italy as in Europe — is towards further tightening.

The honest result: done well, in the right location, the short let **is a small profitable trade** — but it is a trade, with hours of work or costs of delegation, regulatory risk and volatile takings. Turning any old flat into a short let "because it pays more", without counting the work, the empty weeks and the 26 per cent, is the most common way of discovering that the net has drifted back to that of the long let — with three times the effort.

> IN PLAIN WORDS
>
> The long let is a bond: predictable coupon, little upkeep of the relationship. The short let is opening a small hotel: it can pay more, but nobody confuses running a hotel with collecting a coupon — except those who decide by looking only at August's takings.

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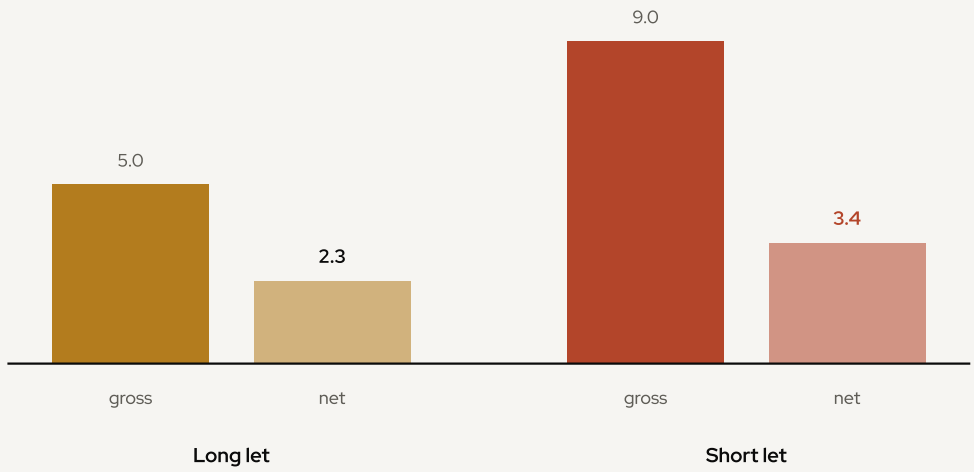
GROSS AND NET, LONG VERSUS SHORT — EXAMPLE, IN % OF VALUE



Takings nearly double, net close: commissions, management, empty weeks and the 26 from the second property eat the gap.

FIGURE 10 Long and short: gross and net

Hypothetical example; long let at agreed rent

6.3 The management that protects the income

The yield of an income property is defended with rules known to every seasoned landlord and forgotten at every generational handover. **Tenant selection** is worth more than any clause: documented income sustainable against the rent, verified references, real guarantees (a surety when needed) — one extra month of vacancy to choose well costs less than one default. **A contract well written and registered**, through the channels of the law: under-the-table shortcuts expose the landlord, not the tenant. **Insurance** for damage and legal protection, which costs little compared with what it covers. **The works fund**: setting aside each year the maintenance quota of chapter 4, so the boiler of 2031 is not an emergency but a foreseen expense. And **promptness** on arrears: the first delays faced at once — firmly and through the procedures — get resolved; those left to run for the sake of peace become the multi-year evictions the news reports.

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The chapter closes with the series' criterion: the well-managed income property, with its 2-3.5 net plus any local appreciation, **is a legitimate asset** — comparable to the alternatives, with concentration and work added, and visible volatility removed. What is not legitimate is keeping it in the portfolio **without making it do its job**: the "income" property vacant for two years, or let at a friendly rent to someone who is not an intended beneficiary, is not an investment — it is the subject of the next chapter.

KEY TAKEAWAYS

- Cedolare secca: 21 per cent on the open-market rent, 10 on the agreed rent — and the agreed rent, tables in hand, often leaves more in your pocket with a more stable tenant.
- Short lets: double takings but commissions, management, seasonality and 26 per cent tax from the second property. It is a trade, not an annuity.
- Tenant selection is worth more than any clause: a month of vacancy to choose well costs less than a default.
- An annual works fund and promptness on arrears: the two habits that separate solid income from trouble.
- The income property that does not do its job — vacant, or let out of friendship — is not an investment: it is a sleeper in disguise.

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07 Property **that sleeps.**

The second home used two weeks a year, the inherited flat shut for a decade, the undivided share with the cousins, the garage in another city: almost every Italian estate contains sleeping property. This chapter looks it in the face — what it really costs, why deciding about it is so hard, and how to tell the sleeper worth waking from the one worth waving goodbye.

7.1 The cost of ownership: what a property that does nothing costs

An empty property seems to cost nothing: no mortgage, no tenant, no worries. The true bill says otherwise. Every year, an unlet second home pays **IMU** (at the full municipal rate), **service charges**, **minimum utilities** to keep it alive, **insurance**, and the **maintenance** that time imposes even on closed houses — indeed, especially on those, because an uninhabited house ages worse. The total, for an ordinary property, typically sits between **1 and 2 per cent of its value, every year**.

To this out-of-pocket cost add the **opportunity cost**, which the reader of this series can by now compute alone: €200,000 of empty second home is €200,000 not producing the €5-6,000 net a year of a prudent financial employment. Out-of-pocket plus opportunity: a €200,000 sleeper **costs the family €8-10,000 a year**, every year, in silence. In ten years, half a flat. And if the local market is one of those losing value — chapter 4 — the bill worsens on its own.

This does not condemn every second home: the seaside house used all summer by three generations **produces** — holidays, memory, family — and its cost is the price of a service enjoyed. The point is another: that price must be **known**. The seaside house at €8,000 a year is a legitimate choice; discovering after twenty years that you have paid €160,000 without ever deciding to is something else.

> IN PLAIN WORDS
>
> The sleeping property is a full-time employee who never comes to the office: the salary goes out every month all the same. No business would keep him for ten years without at least asking why — in family estates it happens all the time.

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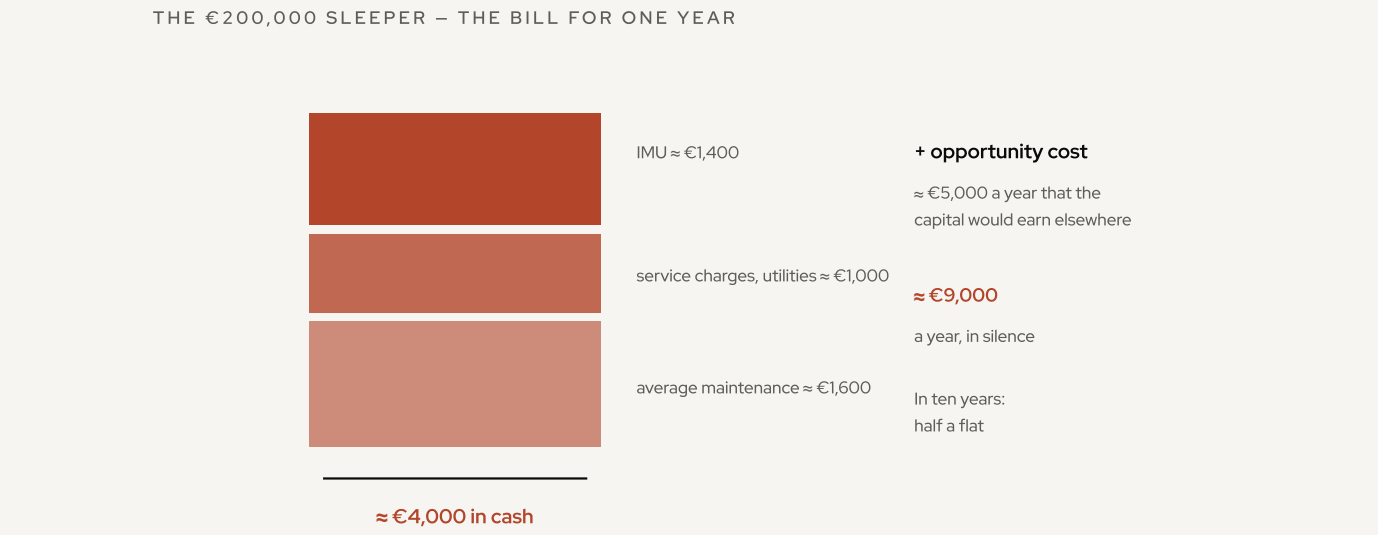

FIGURE 11 The sleeper's annual bill — Hypothetical example on a value of €200,000

7.2 Why deciding is so hard (and the co-ownerships that block)

If the numbers are so clear, why do the sleepers remain? Because the forces protecting them are not financial. There is **affection**: the parents' house, the summers of childhood — selling it feels like betraying something. There is **anchoring**: "it is worth 250" (it was, perhaps, in 2008), and selling at 180 feels like a loss rather than a price. There is **fiscal inertia** dressed up as strategy: "it will pass to the children at cadastral value anyway" — true (chapter 12), but meanwhile the cost of ownership runs on, and the children will often inherit a problem, not an asset. And there is the sturdiest form of blockage: **hereditary co-ownership**.

The undivided share deserves plain words. A property owned 33 per cent with two siblings — or 12.5 with seven cousins — is an asset that **does not answer the controls**: to sell you need everyone's agreement, to let it out almost always too, and every co-owner holds a de facto veto. The ways out exist and are worth knowing in order of civility: **agreement** (one buys the others' shares, or all sell together to a third party); **partition**, where the asset or the estate allows it; and lastly **judicial partition**, which every co-owner has the right to demand — nobody can be forced to remain in co-ownership — but which costs years, legal fees and, almost always, the auction sale with its discounts. The lesson, which chapter 11 will take up from the side of the person leaving the inheritance: **co-ownerships do not dissolve by themselves, and with every generation of heirs they multiply**.

7.3 The triage: wake, enjoy, wave goodbye

For every sleeper in the inventory, three possible outcomes — and a path of questions to choose.

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Wake it: can the property produce income with a reasonable investment? A targeted refurbishment, furnishing, a change of use, a long let or — where it makes sense — a short one. The test is the usual yardstick: does the additional capital invested earn, in incremental net rent, more than its alternative? If the property is in a market with demand, often yes; if it is where demand does not exist, no refurbishment creates tenants.

Enjoy it: does the family really use it, and is the annual cost — now known — worth the service? Then it is chosen consumption, not a sleeper: it goes into the budget like the boat or the trip, and one stops calling it an investment.

Wave it goodbye: if it neither produces nor serves, selling is the rational answer — and chapter 9 will show how to fit it into a plan without dumping it. Here only one psychological addition, the most important in the guide: yesterday's price does not exist. The only sensible comparison is between **what the property will do for the family from today onwards** and what the reinvested proceeds will do. Whoever waits "for it to be worth what it used to be worth" is paying €8-10,000 a year for a ticket in the local market's lottery — and time, in markets with declining populations, is not playing on his side.

KEY TAKEAWAYS

- A sleeper costs 1-2 per cent of its value a year out of pocket, plus the opportunity cost: on €200,000 of value, €8-10,000 a year in silence.
- The second home that is enjoyed is legitimate consumption — provided its annual price is known and chosen, not suffered.
- Inherited co-ownerships do not answer the controls: the way out is agreement, partition or the judge — and with every generation of heirs they multiply.
- Triage with three outcomes: wake (if demand exists and the incremental capital earns), enjoy (as declared consumption), wave goodbye.
- Yesterday's price does not exist: compare what the property will do from today with what the reinvested proceeds will do.

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08 The ways **out.**

Once it is decided that a property must change jobs, the ways to do it remain: the sale, with its timings and its taxes; bare ownership, which turns the house into capital without leaving it; the gift, generous in appearance and full of technical thorns. This chapter walks them through with the numbers — because even the right exit, done badly, costs dearly.

8.1 The sale: timings, costs and the tax on the gain

Selling is the main road, and it must be planned with its true numbers. The **timings**: outside the hot areas, many months normally pass between mandate and deed — and haste is paid for in price. The **costs**: the agency (typically 2-3 per cent plus VAT), the certificates (the APE energy certificate, the cadastral and planning conformities — irregularities discovered after the preliminary contract is signed are among the most common causes of collapsed negotiations: **regularising first** costs less than discovering later).

The **tax** on the capital gain follows precise rules. The sale is **exempt** if the property has been owned for **more than five years**, or if it was the seller's main home for most of the ownership, or if it came **by inheritance** — three wide doors that cover most family cases. Outside them, the gain (price minus purchase cost and documented expenses) is taxed: in the tax return at progressive rates, or — almost always preferable — with the **26 per cent substitute tax** requested from the notary in the deed. One recent exception deserves specific attention: for properties on which the **Superbonus** renovation subsidy was used, a sale within **ten years** of the end of the works generates a taxable gain with special rules on the computation of costs — anyone who claimed it and is thinking of selling must see the accountant **before** signing the agency mandate.

A note of realism from the seller's side: today's buyer looks at the **energy class** the way buyers ten years ago looked at the floor. On the price of a low-class property, the market already discounts the works the buyer will have to do: sometimes it pays to do them first (if targeted), and it always pays to know it before anchoring to a price the market will not recognise.

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8.2 Bare ownership: the house that becomes capital, without leaving it

For those whose wealth is concentrated in the house and who need capital or income, the **sale of the bare ownership** (nuda proprietà) is the prince of instruments: you sell the ownership of the asset **while keeping the usufruct** — the full right to live in it or let it for life. The buyer pays a fraction of the value today; he will take possession only at the end.

The fraction is set by the **ministerial tables**, which split the value between usufruct and bare ownership according to the usufructuary's age, with a minimum rate of 2.5 per cent fixed by law: indicatively, at 65 the bare ownership is worth **about half** of the full value, at 70 about 60 per cent, at 80 about three quarters. Three warnings from experience: the **expenses** are divided by law (routine costs and use taxes to the usufructuary, structural works to the bare owner) and must be settled properly in the deed; the **market** for bare ownership is a niche — long timings and discounts to the theoretical table value are normal, especially outside the big cities; and the decision is **essentially irreversible**, so it should be taken inside an overall plan — involving, when wise, the children too: bare ownership sold is value that will not be in the inheritance, and it is better the family knows before rather than after.

Used well — the right age, a price verified by appraisal, the proceeds reinvested with the method of the sister guides — it is one of the most rational operations in family finance: **it monetises the last remaining asset without touching the life lived inside it**.

> IN PLAIN WORDS
>
> Selling the bare ownership is like selling a fruit tree while reserving every harvest for as long as you live: the buyer pays today the price of waiting, the seller collects without losing a single fruit. The delicate point is the same as the tree's: it is a real sale — afterwards, the tree belongs to someone else.

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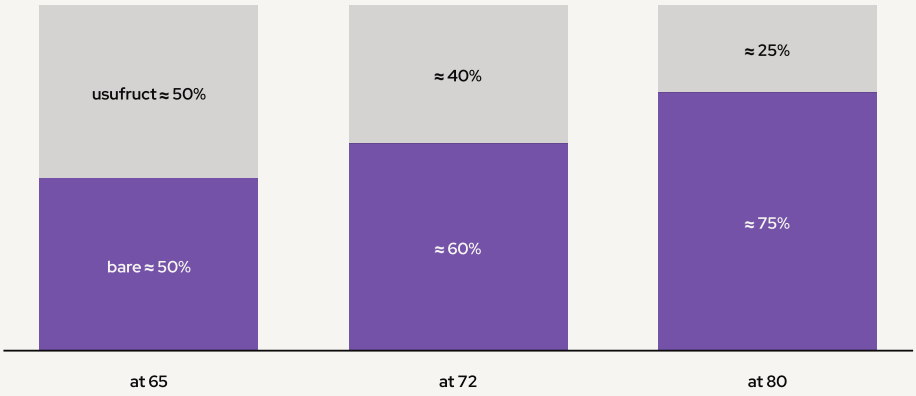

FIGURE 12 Usufruct and bare ownership, by age — Tax coefficients, Annex 1 of Legislative Decree 139/2024; the market discounts the table value

8.3 The gift: generous in appearance, technical in substance

"I'll just put it in his name meanwhile" is the sentence with which many families believe they are simplifying the future. Gifting property to the children is a legitimate and sometimes excellent instrument — the allowances are the same as in succession, one million euros per child, and the taxable base is the cadastral value (chapter 12) — but it carries two things to know **before** the notary: one has changed recently, the other never changes.

The first is **marketability**, and the news is good. Until 2025 a property of gifted provenance remained for twenty years exposed to the forced heirs' clawback actions **even in the hands of whoever had bought it**, and the market knew it: banks more cautious with mortgages, buyers demanding discounts or dedicated insurance. **Law 182/2025** rewrote articles 561 and 563 of the civil code, and today the abatement of a gift "does not prejudice the third parties to whom the donee has transferred the gifted property". The buyer is safe. A sibling who considers himself short-changed no longer takes the house back: he holds a **money claim** against whoever received the gift, and only if that person is insolvent may he turn — again for money — to anyone who received the asset gratuitously. The twenty-year ballast is gone, and with it the insurance policies invented to work around it.

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The second is the **balance between heirs**, and this the reform did not touch: gifts are notionally "reunited" at death to check the forced shares, and the house gifted to one child twenty years ago comes back into the sums — with its value, and with the quarrels that sums done late produce. The practical rule: a property gift is made inside a **comprehensive, documented succession design** (chapter 11), possibly compensating the other children explicitly, never as an isolated gesture "to get it out of the way". And for the most frequent use — helping a child buy a home — a **gift of money** for the purchase is often cleaner: the child buys at market, with no awkward provenance on the asset.

KEY TAKEAWAYS

- Sale exempt from gains tax after 5 years, if it was the main home or if inherited; otherwise 26 per cent substitute tax in the deed. Mind the 10 Superbonus years.
- Regularise the irregularities and know the energy-class discount before the mandate: surprises after the preliminary contract cost negotiations.
- Bare ownership: at 65 it is worth about half of the full value, at 70 about 60 per cent, at 80 about three quarters. Irreversible, a niche market — but the most rational way to monetise the house without leaving it.
- A property gift no longer leaves the asset hard to sell (law 182/2025: the buyer is safe, the claim is in money), but it still comes back into the sums between heirs: never as an isolated gesture.
- To help a child buy, a gift of money is often cleaner: they buy at market, with no awkward provenance.

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III



PART THREE · CHAPTERS 9–13

The **decisions.**

Rebalancing without fire sales, the risks that never arrive by statement, the handover to heirs without conflict — and tax, with property's greatest advantage. The glossary closes.

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09 Rebalancing, **without trauma.**

Those who discover they own too much property often commit the opposite error: selling badly, in a hurry, all at once. This chapter draws the right path — a multi-year plan with an order of exit, realistic prices and a reinvestment already decided — because rebalancing is a marathon won at walking pace.

9.1 First rule: you sell with a plan, not with a mood

Wealth rebalancing is born of the preceding chapters: the inventory says what is there, the weight says it is too much, the triage of jobs says **which** properties are doing nothing for the family. The next step is not a listing on a portal: it is a **written plan over a horizon of three to five years**, with three contents.

The **order of exit**: start with the pure sleepers — maximum cost, zero service — and among them with those in the weakest markets, where waiting destroys value; continue with the shares and co-ownerships, which need the long timings of family agreements; leave until last whatever produces real income or service. The **realistic target prices**, set with the method of chapter 2 (appraisal or serious valuation, not the 2008 anchor) and with a negotiation margin decided in advance with a cool head: the written plan is exactly what prevents you, six months later, from refusing a good offer out of pride or accepting a bad one out of exhaustion. And the **tax calendar**: the exemptions of chapter 8 (the five years, the inherited provenance) and the windows of chapter 12 may suggest bringing forward or delaying a single sale — never overturning the plan.

> IN PLAIN WORDS
>
> Selling properties without a written plan is like moving house without boxes: you carry out whatever comes to hand, in the wrong order, and by midday you are exhausted with the important things still inside. The boxes — the order, the prices, the calendar — are prepared before opening the door.

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9.2 The reinvestment: decided beforehand, executed with method

The mirror-image error of selling badly is selling well **and then leaving the proceeds in the account** — where inflation works on them — or, worse, handing them to the first product proposed by whoever heard about the sale. The series' rule: **the destination of the proceeds is decided before the deed**, inside the plan.

The ingredients are those of the sister guides, recalled in order of priority. First the **liquidity reserve** that chapter 3 found missing — short, safe instruments, treasury bills and the like. Then the **dated goals**, funded with the bond maturities of the second guide. Then the long-term **growth and income** component — the diversified portfolio the sold property goes to fund, built with the gradualness it deserves: a large proceed is not invested in one day but in scheduled tranches, so as not to hand everything to a single market moment. And for estates that meet the requirements, the tax chapter of the fourth guide left a precious reminder: property proceeds reinvested through an **alternative PIR** — the tax-favoured individual savings plan — held for five years produce exempt income: an elegant way to move wealth out of property's tax regime and into an even better one.

The overall sense must be kept in view: rebalancing is not "selling the property" — it is **turning idle wealth into wealth that works**, in the service of the family's plan for living and passing on. The sale is half the operation; the disciplined reinvestment is the other half, and the easier one to get wrong.

9.3 A textbook case, with the numbers

To fix the method, a case recomposed from experience. A couple of 68 and 65; estate: the home they live in (500,000), an inherited vacant flat in a mid-sized provincial capital (200,000), a seaside house used one month a year (250,000), securities and cash (150,000). Property weight: **86 per cent**. Decent pensions but a compressed standard of living; the liquid part covers neither reserve nor top-up.

The four-year plan: **year 1** — appraisal and sale of the vacant flat (the pure sleeper), two cadastral irregularities regularised first; sold at 185,000 (the anchor was "230"), exempt from gains tax by inherited provenance. Proceeds: a reserve of two years of expenses (€60,000) in short instruments, the rest (€125,000) in a bond portfolio with staggered maturities that tops up the pensions by about €3,500 net a year. **Years 2-3** — a conscious decision on the seaside house: the family uses it, loves it, and now knows it costs about €5,000 a year all in; choice: keep it as declared consumption, with a dedicated works fund. **Year 4** — wills updated (chapter 11): the seaside house destined for the daughter who lives it, compensation in securities for the son who does not use it.

Result: property weight at around 70 per cent — still high, but **chosen**; income topped up, reserve built, inheritance designed, no fire sale. That is the chapter's point: successful rebalancing rarely brings property "to the 40 per cent" of the manuals — it brings every remaining property to have a job, and every euro released to work better than before.

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FIGURE 13 The textbook case, in four years — Case recomposed for illustration

KEY TAKEAWAYS

- A written plan over 3-5 years: order of exit (pure sleepers in weak markets first), appraisal-based prices with a margin decided with a cool head, tax calendar.
- The written plan protects from the two symmetrical defeats: refusing the good offer out of pride, accepting the bad one out of exhaustion.
- The destination of the proceeds is decided before the deed: reserve, dated goals, portfolio invested in tranches — never the current account, never the first product proposed.
- For those who meet the requirements, the alternative PIR held 5 years makes the reinvestment exempt: from property's tax regime to a better one.
- Success is not a textbook percentage: it is every remaining property with a job, and every euro released at work.

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10 Know the risks, **to weigh them.**

Property has the reputation of a riskless asset because its risks do not arrive in the post every quarter: they arrive over decades. Illiquidity, demography, changing rules, the energy transition repricing the low classes: this chapter lines them up, ending with the map — because here too, the only risk never rewarded is the one nobody knew about.

10.1 Illiquidity and concentration: the structural risks

The first two risks are in the very nature of the asset, and the series has already taught how to recognise them elsewhere. **Illiquidity**: a property sells in months — in weak markets, in years — and the liquidity promised by "worst case, I'll sell" evaporates exactly when it would be needed: in emergencies, when a quick sale costs a 15-20 per cent discount, and in market crises, when the buyers all vanish together. The rule is that of the private markets: **property is sold when one can, not when one must** — and the liquidity reserve of chapter 3 exists precisely so that it never has to be sold in a hurry.

Concentration: chapter 3 measured it; here it must be weighed as a risk. A typical property estate is the opposite of a diversified portfolio — few assets, one country, often one city, exposed together to the same local cycle: the firm that closes, the neighbourhood that changes, the municipal tax that rises. Recent Italian history offers the example on a national scale: **demography**. A country that loses inhabitants and concentrates them in a few areas mechanically produces falling demand in most local markets — and it is the silent headwind behind the real prices of chapter 4. It does not concern every address; it concerns, statistically, the majority.

10.2 Regulatory risk and the energy transition

Property is the most **regulated and most taxable** asset in the estate: it does not move, it cannot hide, and every level of government sees it perfectly. Regulatory risk has many faces — the law of tenancies and evictions, the local rules on short lets (already tightening), the periodically evoked revisions of the **cadastre** and of property taxation — and one common trait: **it can be neither insured nor diversified away within property itself**. The only defence lies in the overall design of the estate: a structural, not cyclical, reason why the total property weight must be governed.

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The **energy transition** deserves its own chapter. The European buildings directive (the EPBD of 2024) sets consumption-reduction trajectories for the building stock towards 2030-2035, leaving the how to the member states; Italy has one of the most dated stocks in Europe, with the majority of properties in the **low energy classes**. Whatever form the obligations take, the market is already doing its part: the price gap between high and low classes **is widening**, buyers discount the future works, banks look at the APE certificate when granting mortgages. For the owner, three practical consequences: the energy class goes into the **inventory** (chapter 2) as a wealth datum, not a bureaucratic one; for properties to be kept long, targeted efficiency works should be appraised as an investment with the usual yardstick (cost against higher value plus lower bills plus lettability); for those to be sold, chapter 8 has already said it — better to know the class discount before setting the price.

> IN PLAIN WORDS
>
> A class-G property today is like a Euro 3 diesel car in 2015: perfectly functional, still sellable — but whoever buys it knows the calendar is working against it, and prices that in. The owner who notices last is the one who pays the whole bill.

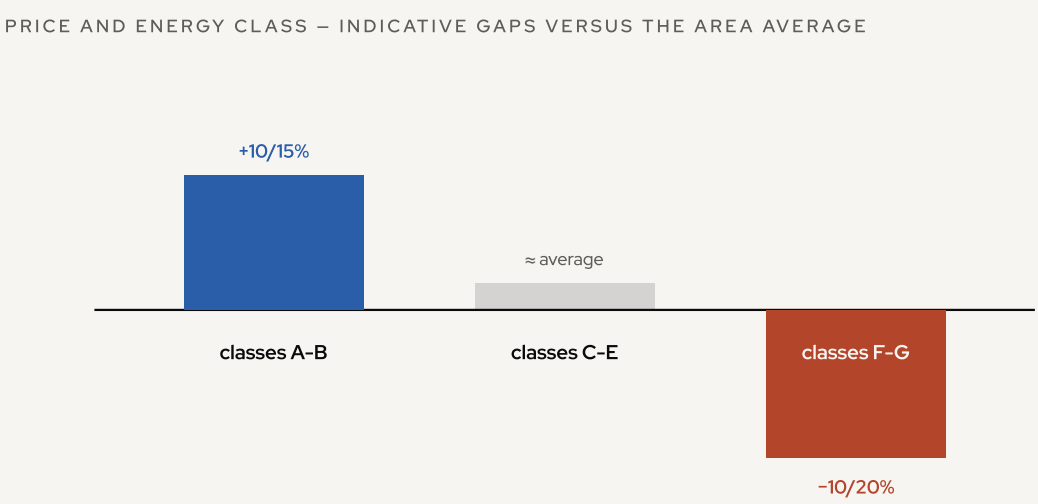

FIGURE 14 Price and the energy class — Indicative gaps from market surveys

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10.3 The risk map, property by property

The table sums up where each risk hits hardest:

TYPE OF PROPERTY	ILLIQUIDITY	LOCAL MARKET	REGULATORY	SPECIFIC RISKS
Main home	High, but not urgent	Medium	Low (protected)	Oversizing; adapting with age
Income, long let	High (with a tenant: higher)	High	Medium (tenancies, evictions)	Arrears; maintenance; energy class
Short let	Medium	High and seasonal	High (rules tightening)	Volatile takings; it is a trade
Sleeper	Maximum (weak markets)	Maximum	Medium	Certain cost of ownership, uncertain value
Undivided share	Near-total	High	Medium	Co-owners' vetoes; quarrels; judicial partition

TABLE 1 The risk map by type of property

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Two readings, in the tradition of the series. The first: **no line is risk-free** — not even the main home, whose principal risk is the silent oversizing relative to life. The second: property's risks **do not show up in the statement**, and this invisibility is itself the meta-risk of the class — they are taken on by default, by inheritance, by inertia, with no report ever recalling them. That is what the map is for: turning risks suffered into risks chosen. What remains after the choice — the property that produces, the home that is loved, the weight that can be afforded — is a healthy property estate, whatever percentage it occupies.

KEY TAKEAWAYS

- Property is sold when one can, not when one must: the liquidity reserve exists so it never has to be dumped.
- Concentration is structural — few assets, one local cycle — and Italian demography is the silent headwind of most markets.
- Regulatory risk can be neither insured nor diversified within property: it is governed only through the overall weight.
- The energy transition is already repricing the low classes: the APE is a wealth datum, and the class discount is learned before setting prices.
- Property's risks do not arrive by statement: the map serves to turn them from suffered into chosen.

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

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11 Property **and heirs.**

Real estate is what most often arrives in an inheritance — and what most often sets it quarrelling: it does not divide like money, it does not sell like securities, and every co-owner holds a veto. This chapter looks at the transfer from the side of the one preparing it: how to leave the property without leaving, along with it, the conflict.

11.1 Why property makes heirs quarrel

Money divides with a calculator; a property does not. On the owner's death, real estate falls as a rule into **hereditary co-ownership** (comunione ereditaria): each heir owns a share *of everything*, nobody owns anything specific, and decisions — selling, letting, even doing works — require majorities or unanimity that families, in grief and over the years, struggle to find. Chapter 7 showed the outcome from the side of those who inherit: blocked shares, sleeping properties, and as a last resort the **judicial partition** with its years and its auctions.

To the legal mechanisms add the human ones, which whoever plans must count with the same realism as the numbers: a property **is not emotionally neutral money** — it is the childhood home, the symbol of who received more or less; the consolidated **situations of fact** (the son who has lived for twenty years in the parents' house, the one who has always used the seaside home) become claims perceived as rights; and the **valuations** diverge systematically — whoever wants to keep estimates low, whoever wants to cash out estimates high, and every appraisal becomes a battleground. None of these dynamics is resolved afterwards: they are **prevented before**, and that is the trade of the next sections.

> IN PLAIN WORDS
>
> Leaving three children in co-ownership of two properties is like leaving three people one car with three steering wheels: even loving one another, either they agree on everything, always — or the car sits in the garage costing money, until a judge sells it at auction.

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11.2 The planner's tools: will, assignments, compensations

The basic tool is the **will with divided assignments**: instead of leaving abstract shares of everything ("to my children in equal parts"), assigning **specific assets to specific people** — flat X to the son who lives there, the seaside house to the daughter who uses it, the securities and cash to compensate whoever receives less property. The testator may do this (it is the testator's partition, which the law expressly provides for), within the **forced shares** (legittima) reserved to close family — and precisely here technique is needed: the assignments must be built on **values**, updated periodically, because a division that was fair in 2010 may have become lopsided by 2026, and the forced share is calculated on the values at death.

Chapter 9 of this guide has already shown the role of **compensations**: for divided assignments to work, the estate must contain **enough non-property** to square the accounts — a further, often decisive, reason for rebalancing: an all-property estate *forces* undivided shares, because there is nothing else to compensate with. Completing the toolbox: the **life policy**, which creates dedicated liquidity outside the estate to even up an heir or pay the taxes; the lifetime sale of the indivisible properties (better a proceed than a quarrel); and, for complex estates, the instruments of the guide on succession in this series — here the principle suffices: **every property in the inventory must have an intended recipient, or a plan of sale**. What is not decided by the one who leaves will be contested by those who receive.

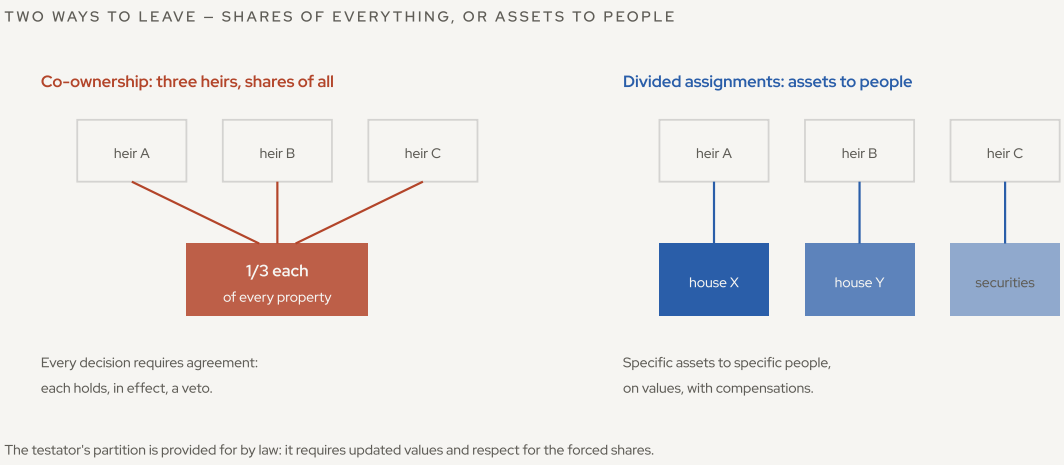

FIGURE 15 Shares of everything, or assets to people — Illustrative diagram

11.3 Talking about it first: the tool no notary can sign

There remains the most powerful and least used instrument: **the conversation**. Most inheritance conflicts are born not of the division itself but of the **surprise** — the heir who discovers at the funeral what he could have understood, and accepted, at a family lunch ten years earlier. Communicating the design during one's lifetime (not necessarily every number: the design, and its reasons) turns the beneficiaries into custodians of the plan instead of contenders; it lets the true preferences surface in

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time — often the children **do not want** the properties the parents sacrifice themselves to preserve for them, and knowing it changes the whole plan of the preceding chapters; and it allows the situations of fact (who lives where) to be settled with explicit agreements instead of unspoken things that ferment.

The final coordination closes the guide's circle: the choice of **what to leave in property and what in other assets** is itself a planning decision, with a tax ingredient the next chapter quantifies — the transfer of real estate enjoys a favourable taxable base, that of government bonds full exemption, and the best design uses both. But tax, as always in this series, comes last: first comes an estate the heirs can **receive without fighting one another** — and that is the highest form of return the family's property can produce.

KEY TAKEAWAYS

- Hereditary co-ownership gives everyone a share of everything and no one the power to decide: it is the factory of sleepers and quarrels.
- The basic tool is the will with divided assignments: specific assets to specific people, on updated values, within the forced shares.
- Compensations require non-property in the estate: a reason, often decisive, for the rebalancing of chapter 9.
- The life policy creates dedicated liquidity outside the estate to even up heirs and pay taxes.
- A design communicated in life disarms the surprise, which is the true mother of conflicts — and often reveals that the children do not want what is being preserved for them.

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

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12 Settling up **with the taxman.**

Property is the most heavily taxed asset in life — ownership, income, transfers — and one of the most favoured in the passing on: the cadastral base in succession is the most important and least understood tax discount in family wealth. This chapter lines up the taxes along a property's life, and closes with the numbers of a concrete case.

12.1 The map: four moments, four taxmen

The taxman meets a property at four moments, and it pays to keep them distinct because they follow different logics. **Ownership**: IMU, every year, for the mere fact of holding the asset. **Income**: the flat-rate cedolare secca or progressive income tax on the rents, when the property works. **Transfer for value**: the deed taxes when you buy, and the possible tax on the gain when you sell. **Gratuitous transfer**: successions and gifts, with their allowances and their favourable base.

The map also serves an overall awareness: adding up the four moments, property is — together with labour — the system's favourite taxable base, for the reason seen in chapter 10: it does not move and cannot hide. But the distribution of the burden is anything but uniform: **heavy on unproductive ownership** (the IMU on the empty second home), **mild on well-structured income** (the 10 per cent on agreed rents), **generous on the passing on**. Whoever knows the map can, legitimately, shift their wealth towards the mild boxes: it is the same tax hygiene as in the sister guides, applied to bricks and mortar.

12.2 Ownership and income: IMU, the flat tax, and the vacancy misunderstanding

IMU exempts the main home (except the luxury categories A/1, A/8 and A/9) and hits everything else at municipal rates — on the cadastral base, not the market value: a detail that makes the tax relatively heavier where market values are low, that is, precisely in the weak markets of the preceding chapters. For **rented** properties, IMU coexists with the tax on the rent: the **cedolare secca** of chapter 6 (21 open-market, 10 agreed, with the special rules for short lets) or, where the flat tax does not apply, progressive income tax on property income at its marginal rates.

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On **vacant** properties it is worth dissolving a misunderstanding that runs in both directions: as a rule IMU **replaces** income tax on the notional income of the unlet property — so the empty house does not pay twice; but for properties kept at one's disposal **in the same municipality** as the main home, a portion of the cadastral income becomes taxable again. The wealth message, however, does not change by a comma: the sleeper remains taxed on ownership every year, against zero income — the taxman does not create the problem of chapter 7, but aggravates it with punctuality.

12.3 Buying and selling: the deed taxes and the capital gain

On **purchase**, the burden depends on the seller. From a **private seller**: registration tax at **9 per cent**, falling to **2** with the prima casa main-home requirements — calculated, for homes bought by private individuals, on the **cadastral value** thanks to the prezzo-valore mechanism: the full price is declared, tax is paid on the cadastral value, with full protection. From a **developer** (within the statutory time limits): VAT at **10 per cent**, or at **4** with the main-home requirements, on the actual price. Plus the mortgage and cadastral duties and the notary: chapter 4 estimated at about 10 per cent the cost of a full round trip of buying and selling, and these items are the larger part of it.

On **sale**, the capital gain follows the rules already seen in chapter 8 — exemption after five years, for the main home and for inherited properties; 26 per cent substitute tax in the other cases; the decade of attention for properties with the Superbonus. The strategic summary suffices here: for most family estates, with a minimum of timing planning, **the property capital gain is an avoidable tax** — a notable difference from financial assets, where 26 per cent on the gain is the rule.

12.4 The passing on: the cadastral base, the discount few understand

Here lies property's structural tax advantage. In **successions and gifts**, the taxable base of real estate is not the market value: it is the **cadastral value** — the rendita catastale, the property's cadastral income, revalued and multiplied by the statutory coefficients — which for homes typically sits **between one third and one half** of the real value, with even deeper discounts where the cadastre is more dated. On top of this already reduced base operate the **allowances** (one million euros for the spouse and for each child, with a 4 per cent rate only on the excess), and for the heir with the requirements the mortgage and cadastral duties — normally 2 plus 1 per cent on the cadastral value — fall to a few hundred euros flat with the **prima casa relief in succession**.

The practical result: even very substantial family property estates pass between generations **with negligible or zero taxes** — where the same value in financial instruments (government bonds excepted, which enjoy the full exemption seen in the second guide) would count in full towards the taxable base. It is a real advantage, which serious planning uses; with the two caveats this guide has already built. First: the tax discount **does not turn a bad asset into a good one** — the sleeper that passes for free remains a sleeper, and chapter 7 did the sums of what keeping it alive costs while waiting for the

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transfer. Second: the advantage lives **under current rules** — the revision of the cadastre is periodically evoked precisely because those bases are dated, and a prudent succession design uses today's discount without resting on the assumption that it will last forever.

> IN PLAIN WORDS
>
> In succession the taxman weighs property with a period balance, calibrated on values from decades ago, and money with the precision scale. As long as the balances stay this way, knowing which pan to place what on is half of planning.

THE SAME FLAT, TWO BALANCES — MARKET AND SUCCESSION

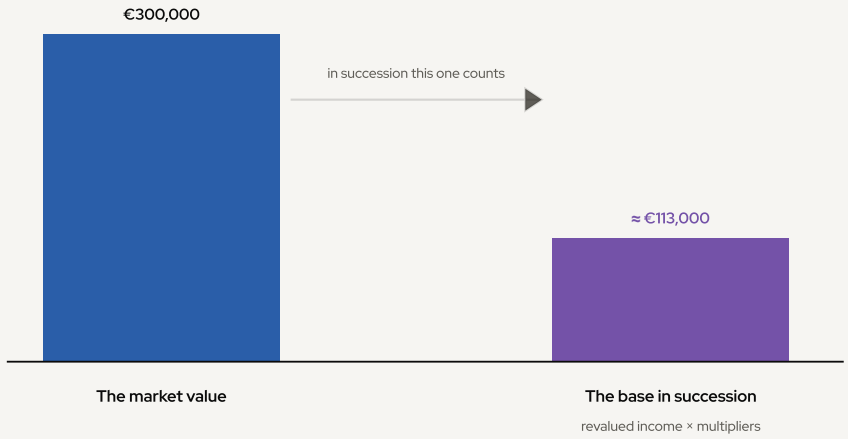

FIGURE 16 The two balances: market and succession — Example with a rendita catastale of €900

12.5 An example with the numbers (and what is on the horizon)

The case: a widow leaves her only son a flat the market values at **€300,000**, with a rendita catastale of €900, plus €200,000 of financial instruments (not government bonds).

- **Taxable base of the property**: cadastral income revalued by 5 per cent × the statutory multiplier (120 for ordinary homes that are not the heir's main home) ≈ **€113,400** — little more than a third of the real value.
- **Estate for tax purposes**: 113,400 + 200,000 = €313,400 — below the one-million allowance: **inheritance tax zero**.
- **Mortgage and cadastral duties**: 3 per cent of the cadastral value ≈ €3,400; if for the son it is his main home, **€400 flat**.
- Final bonus: if the son resells the flat, the **inherited provenance** exempts him from the capital gain whatever the resale price (article 67 of the TUIR): there is no tax cost to compare.

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Total for the transfer of half a million of wealth: **a few hundred euros** if it is the son's main home, about €3,400 otherwise. These are the numbers that explain why property remains central in family transmission — and why planning, rather than eliminating it, **positions** it. The rules described are in force as of September 2026; on the horizon remain the revision of the cadastral values, cyclically discussed, and Italy's implementation of the buildings directive, which will move values more than taxes. The series' closing rule applies in full: before any significant decision, check that the picture is still this one.

KEY TAKEAWAYS

- Four tax moments: ownership (IMU), income (cedolare/income tax), transfers (registration/VAT, gains), passing on (successions). The burden is heavy on unproductive ownership and generous on the passing on.
- Prezzo-valore when buying from private sellers: the full price is declared, registration tax is paid on the cadastral value.
- With timing planning, the property capital gain is almost always avoidable: 5 years, main home or inherited provenance (Superbonus aside).
- In succession the property enters at cadastral value — typically a third to a half of market — under one-million allowances: entire estates pass with negligible taxes.
- The discount does not turn a sleeper into a good asset, and it lives under current rules: use it today, without building the plan on it forever.

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

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13 The words **of property.**

The words of family real estate, in alphabetical order and in plain English — from the cadastre to bare ownership, from clawback actions to the flat-rate rental tax. As throughout the series: when a word slows the reading, the answer is here.

13.1 A–C

APE. The energy performance certificate: it assigns the class (from A4 down to G) and must accompany sales and lettings. From bureaucratic datum it has become a wealth datum: the market prices the class.

Azione di riduzione. The instrument with which a short-changed forced heir reopens the gifts that ate into his share. Until 2025 it could reach the asset even in the hands of whoever had bought it, which is why gifted property sold badly; since law 182/2025 it cannot: the abatement does not prejudice the buyer, and the forced heir is left with a money claim against whoever received the gift.

Bare ownership (nuda proprietà). Ownership separated from usufruct: the asset is sold while keeping the right to live in it or let it for life. The split of value follows age-based tables.

Cadastral value. The cadastral income revalued and multiplied by the statutory coefficients: for homes, typically a third to a half of market value. The favourable base of successions and gifts.

Cadastre (catasto). The public inventory of real estate, with often dated incomes: the base for IMU, deed taxes via the prezzo-valore, successions and gifts.

Canone concordato. The "3+2" letting at an agreed rent capped by local tables: in exchange, a 10 per cent flat tax and IMU cut by 25 per cent.

Cedolare secca. The substitute flat tax on residential rents: 21 per cent (10 on the agreed rent); for short lets, 21 on one property and 26 on the second; from the third a business is presumed.

CIN. The national identification code compulsory for short lets.

13.2 D–L

Downsizing. Selling the big house for a more suitable one, freeing the difference: the most powerful wealth operation of maturity, to be done at the right time and not under necessity.

EPBD (the "green homes" directive). The 2024 European directive on the energy performance of buildings: consumption-reduction trajectories towards 2030-2035, national implementation being defined. The market is already pricing it.

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Hereditary co-ownership (comunione ereditaria). The share-based joint ownership that arises among heirs: everyone has a share of everything, nobody decides alone. The factory of quarrels and sleepers.

Imputed rent. The invisible return of the home you live in: the rent you do not pay, about 3–4 per cent of the value a year, tax-free by nature.

IMU. The annual tax on ownership: the non-luxury main home is exempt; municipal rates on the cadastral value for everything else.

Legittima. The forced share of the inheritance the law reserves to spouse and children, calculated on the values at death, notionally adding back the gifts made in life.

13.3 O–P

OMI. The property market observatory of the Agenzia delle Entrate: free half-yearly quotations by area and type. The starting base of estimates, not a price.

Partition (by the testator, by agreement, judicial). The three ways to dissolve a co-ownership: decided in the will by the one who leaves, agreed among the heirs, or imposed by the judge — with years, costs and often the auction.

Prezzo-valore. The mechanism whereby, buying homes from private sellers, registration tax is calculated on the cadastral value while the full price is still declared.

Prima casa (reliefs). Registration tax at 2 per cent (or VAT at 4) with the residence requirements; forfeited if you resell within 5 years without re-buying. It also exists in succession, with flat mortgage and cadastral duties.

Property capital gain. The profit on a sale: taxable only within 5 years of purchase (save the main home and inherited provenance), with a 26 per cent substitute tax; special ten-year rules for properties with the Superbonus.

Property weight. The ratio of net real estate to total wealth: the number this guide starts from.

13.4 R–V

Realistic market value. In this guide's method: the price at which a real buyer would sign within six months — not the asking price, not 2008's, not the sentimental one.

Rendita catastale. The notional income the cadastre assigns to every property: revalued and multiplied by the coefficients, it generates the taxable bases of IMU, deeds and successions.

Sleeper. In this guide's lexicon: the property that produces neither income nor service, and costs 1–2 per cent of its value every year.

Usufruct. The right to use an asset and collect its fruits, for life or for a term: the complement of bare ownership. Routine maintenance and use taxes fall to the usufructuary, structural works to the bare owner.

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Vacancy. The periods without a tenant: in prudent planning, one month a year on average.

KEY TAKEAWAYS

- The words of property are few and stable: cadastre, cadastral income, shares, usufruct — learned once, every deed and every proposal becomes readable.
- When the glossary's answer is not enough, the records, the deeds and — for the big decisions — the notary and the appraisal have the final word.
- No glossary replaces the inventory of chapter 2: that is where the words become the wealth of your own home.

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CLOSING NOTE

Property is **only the beginning.**

This guide ends here; the decisions do not. For most Italian estates, the family's real estate is the largest stake on the table — and precisely for this reason it deserves what this guide has tried to give: numbers in place of sensations, jobs in place of habits, and every asset at the service of a plan that comes before the walls.

If questions about your own situation surfaced as you read — how much your property really weighs, which building is not doing its job, how a handover is prepared without conflict — that is the signal that the most useful part of the work begins now.

A private conversation, without obligation, is the simplest way to find out together. The contact details are on the last page.

Massimiliano Silla

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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 may differ from the estimates, even substantially. 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 verifying that the picture described is still current. The data come from public sources considered reliable (ISTAT, Banca d'Italia, OMI-Agenzia delle Entrate, legislative documents), which are nonetheless not guaranteed.

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