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PRESS RELEASE

**THE NOTARIAT PROPOSES “RENT TO BUY”  
TO ENCOURAGE A PICKUP IN THE REAL ESTATE MARKET**

***Presentation of a draft contract and a set of guidelines for members of the public***

*Milan, 23 January 2015* - The Notariat has once again drawn attention to the idea of “rent to buy” - the contract that acts as a bridge between renting and purchasing - in a meeting with the Tax Office, the Ministry of Infrastructure and Transport, banks, builders and academia, with a view to developing legal and taxation solutions for the practical application and widespread use of this new instrument which is designed to encourage the purchase and sale of real estate and thus a market recovery.

Today in Milan the National Council of Notaries presented - at a conference organised by the Italian Notarial Foundation in collaboration with the Council of Notaries of Milan entitled "*Legal Aspects of Rent to Buy: Substantive Protection and Tax Issues*" - a **draft contract** suitable for **rent to buy**, to facilitate the operational application of this mechanism, as well as a **set of guidelines and information for citizens** to guide and inform them of this mode of purchase.

In order to enable citizens to buy a home at a time when access to credit is difficult and to help builders sell their unsold stock, the Notariat has proposed to introduce “rent to buy” in Italy. This is a seamless operation whereby a purchaser can immediately begin to enjoy the property identified, paying a periodic rent and postponing until later the effective purchase of the property and the payment of its price which will be reduced by the whole or a part of the rents paid previously. Parliament introduced “rent to buy” with the *Sblocca Italia* [Unlock Italy] decree (*Article 23 of Legislative Decree 133/2014*).

**What's new in the "*Sblocca Italia*" decree?** The decree has resolved some problems that stemmed from the lack of specific legislation. In particular, it has provided the ability to transcribe the contract in the Land Registry for the duration of the “rent to buy”, but not for a period of more than 10 years.

The transcription counts as a full and proper reservation of the purchase of the property. Consequently, it cannot be sold to someone else, nor can a mortgage be granted on the property, nor can an easement or any other prejudicial right be created. Any creditors of the vendor will not be able to register a mortgage on the property pledged for sale, nor foreclose on it. From the moment of the “rent to buy” transcription, the property is “reserved” to the prospective purchaser and any transcription or registration will be unenforceable against it.

To inform and guide citizens on this subject, the Notariat has published on its website ([www.notariato.it](http://www.notariato.it)) a handbook that explains, in clear simple language, all one needs to know about “rent to buy”: the advantages and disadvantages for both the seller and the buyer and what protections are provided by the law.

**FOR FURTHER INFORMATION:**

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