

YESMILANO

MILANO & PARTNERS

HOUSING WORKSHOP

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Comune di
Milano



YESMILANO

STUDENTS



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Housing contracts in Milano

Step 1.
The Tenancy Contract

The tenancy agreement for students

It is called “**contratto ad uso transitorio**”, transitorio means temporary/transitory.

It is a particular kind of agreement that can be signed by university students, it is the same both for Italian as well as foreign students, EU and NO-EU students.

Its features are:

- the length can go from 6 up to 36 months (a limited period compared to the regular tenancy agreements 3+2 or 4+4)
- the parents of the student can act as guarantor for the rent payment
- the student's permanent residence must be in a city different from the city they rent the flat in
- the apartment must be located in the Municipality where the student attends his university, or in a nearby town
- it can be signed by the single student or by a group of students
- it automatically gets extended for the same period unless the tenant doesn't give the cancellation notice at least 1 month in advance

About the amount of the rent:

- the landlord must set the monthly rent amount according with the Local Agreements bands (based on homogeneous areas values established in the Territorial agreements) and after accurate calculations which take into account of the characteristics of the apartment and its location.

To be valid, you have to use the **contract module given by the Ministry of Infrastructures and Transport (D.M. 16/01/2017)** the information to include are the following:

- the personal data of the two parties
- the description of the apartment
- the amount of the monthly fee and the payment method
- the period of rent
- the name of the University and name of the course of studies the student is attending

Renewal and period of the agreement

When the agreement expires, if nothing happens, the agreement automatically get renewed for the same period it was stipulated for.

If the tenant doesn't want to extend it, **should give written notice to the landlord one month in advance.**

At the end of the second period, the contract is considered terminated.

What if you want break the agreement before its period?

You can break your contract before its expiration time prior to a written notice to the landlord, under at least a 3 months notice before your departure from the apartment. A registered letter (lettera raccomandata) is strongly advisable. The Law states that interruptions to rent agreement by the tenant are justified by serious issues without stating the nature of a "serious problem". For this reason is strongly advisable to add to your contract a clause specifying that the period of tenancy for any kind of issue can happen at any time and unless the leaving tenant find another suitable substitute, he/she has to pay the monthly rent until the expiration date.

Two cases can possibly apply:

1) **partial cancellation** - just a student wants to terminate the rent in advance-

The rest of the students living in the apartment should burden also the rent fee of the housemate who's leaving, so, it is suggested to find a new housemate. That person has to accept the already existent tenancy agreement rules and he has to be registered at the Agenzia delle Entrate. In this case the registry fee should be paid 50% by the leaving student and 50% by the new student.

2) **total cancellation** -all the students living in the apartment want to terminate the rent before the expiry of the agreement-

Or they find new students to get replaced, and the landlord should sign a new tenancy agreement with them; or, if nobody takes place, then the students have to pay the rent until the contract expires

The standard tenancy contract «a canone libero» (free rent contract)

The ordinary 4 + 4 free rent contract is a free contract, and therefore the monthly rent it is set by the landlord and agreed with the tenant.

The information that must be present in it to avoid future misunderstandings and disputes are:

- all the characteristics of the property: conditions at the time of rental, location, number of rooms, intended use, etc.;
 - personal data of the landlord and the tenant;
 - duration of the lease, which by contract must be a minimum of 4 years;
 - fee to be paid to the owner, ISTAT update, clauses for non-payment of the fee, contract registration fees;
 - regulation of early withdrawal
 - security deposit paid (if required)
 - breakdown of expenses for extraordinary and ordinary maintenance, and for any accessory charges;
 - declaration of receipt by the tenant of the APE, the energy performance certificate (for individual real estate units or buildings)
- and all other agreements (example: ban on bringing pets into the home)

and...HOW DOES **THE DEADLINE** WORK?

At the end of the 8 years established by law, it is possible to:

to renew the contract under new conditions;

to waive the renewal of the contract;

In both cases it is necessary to send a communication by registered letter, at least 6 months before the deadline. Otherwise the contract is considered tacitly renewed under the same conditions, therefore another 4 + 4 years.

It is possible to break the contract also after the 4 years with a written notice, and, if stated in the contract, even before the 4 years.

CANCELLATION OF THE 4 + 4 RENTAL CONTRACT

In your case, since you much probably are not going to stay for so many years, we suggest you to give a 6 months prior notice and find a suitable substitute that can replace you, so that you don't have to keep on paying until the normal deadline.

Taxation of the tenancy contract...

As regards the taxation for the registration of the contract, the owner can choose an ordinary regime - which applies to all lease agreements and consists of the payment of the stamp and registration taxes - or a substitute regime in which the payment of the “cedolare secca” (flat- rate income tax on letting out a house or flat) which is 21% when it comes to free rent; 10% when the rent is agreed.

If your landlord decides to use the “cedolare secca” taxation regime, you will have it notified in your tenancy agreement.

The tenancy contracts you can sign and the ones you have to avoid

YES**NO**

1. Contratto ordinario a canone libero (4+4)

2. Contratto transitorio

3. Contratto di locazione convenzionato o a canone concordato

4. Contratto transitorio per studenti

5. Contratto di comodato d'uso (the rental is given for free)

All the other kind of contracts, for example for commercial purposes

Documents required to sign a tenancy contract

x EU student:

- 1) Tax code(codice fiscale)
- 2) An identity document

x Not- EU student:

- 1) Tax code(codice fiscale)
- 2) An identity document (Passport)
- 3) The residence permit (valid for all the duration of the rent, if not, it should be renewed before it expires)

For Not-EU students, the landlord, within 48 hours from the handover of the flat, has the duty of communicating to the local police that the foreign student is living there.

What would better to ask for before signing your tenancy agreement

- to read the apartment building regulation;
- to check the cadastral category of the property, which has to state that it is for residential purpose;
- to see the certificate of compliance of the electrical and gas systems, in order to avoid to discover just later any malfunction. If your landlord refuses to let you see the gas security certificate the Law states you can even sue him; the malfunction of the gas system can lead to carbon monoxide intoxication, which can lead to death;
- to receive a copy of APE, which is the certificate that states the apartment energy class, so that you can also know more or less how much should you pay for the heating, in the tenancy agreement must be also stated that you have received it. It is even more recommended to attach it to the agreement;
- to know about the building common expenses charges, you'd better ask the landlord the previous invoices to check that they have been paid, in order to avoid you having to pay them;
- to see the boiler booklet to check that it undergoes constant checks and it's up to standards;
- to see the electricity bill to check the power consumption;
- make sure with the landlord that the garbage fee has to be paid from the moment you start renting the flat (that has to be made sure because the payment of the garbage fee is of the previous year compared to when you get the billing to pay);
- make sure the length of your tenancy agreement
- ask if there's any rent increasing planned already

Some things to care about before signing the tenancy agreement

- carefully read the agreement in every single part, if there's something you might not understand, ask to an Italian friend or ask us!
- don't take any verbal agreement, everything should be written down
- better to sign all the pages of the agreement, the experts suggest to sign all the pages of the two copies so that it's not possible to modify the content
- check the conditions of the apartment, and if you find any flaw, it would be better if you write it down in the contract; take pictures of the flaws you have reported, you can show them to the landlord once you leave the flat and you have to receive your deposit back
- if you find any bug, you can try to bargain the rent and ask for a lower price. Anyway, if you think some of the problems are too serious to accept, just keep on looking for other options
- do the inventory of the apartment
- do not pay anything in advance before having signed the agreement
- if you pay a deposit in order to book the flat, it is important there is any notice written down what you have paid for and what will it happen in case you want to renounce to rent that apartment
- do not pay any expenses that might be not you the one to pay them, make sure with the landlord what it should be you to pay and what should be him/her to pay
- ask which other expenses should you pay by yourself and so are not included in the rent (ex: the heating/water/electricity/gas bills, the condo fees..)
- ask what is allowed to do and not to do (for example to smoke, to sub-lease..)
- talk with the landlord about the points you don't agree with and try to change them, once agreed write them down
- ask if before your arrival the flat complex had decided and confirmed to undergone any renovation that might affect your life and/or, giving you the possibility to bargain for a lower rent fee

Quiz time!

If you sign the tenancy contract “a canone libero” (free rent contract) can you break it before the expiry date?

1.NO

2. YES, giving communication to the landlord with a written notice at least 6 months in advance

3. YES, giving communication to the landlord with a written notice at least 3 months in advance

Step 2.

Register your Contract

The registration of the tenancy contract

The registration should be done within 30 days from the date of the signature of the agreement. The non-execution of the registration means the contract is not formally valid.

If it is done after the 30 days, there will be arrears to pay.

Both the landlord or the tenant can do the registration. Usually with students is the landlord taking care of this issue, who must give a copy of the registration to the student.

The model used for the registration is called RLI model.

The office where to register the contract is the **Agenzia delle Entrate** (the Revenue agency).

The registration can be done either online or going to one of the offices of the Revenue agency.

The documents needed are:

- 2 copies of the agreement signed on every page by both the landlord and the tenant;
- a 16 euros duty stamp (marca da bollo) every 4 pages*
- the payment of the registry tax which is the 2% of the annual rent*

*The above mentioned costs are 50% corresponded by the landlord and the tenant. Is the person who does the registration to pay at first, but then the costs have to be divided among the contractual parts.

And they have to be paid every year of the existing contract.

If the landlord choose the “cedolare secca” (flat- rate income tax on letting out a house or flat) you don't need to pay the registry tax and the duty stamp.

Step 3.

It's time to pay your rent

How to pay the rent

The best way to pay is **by traceable payment methods**: bank transfer or check.
In this case, a payment receipt is not needed.

If you wish to pay your monthly rent in **cash**, remember that the cash transfer for the current year can't exceed the amount of 2,000 euros, while in 2021 it will be lowered to 1,000 euros.

The capex implies that all cash payments exceeding 2,000 euros have to undergone the anti-money laundering registration (registrazione anti-riciclaggio).

If you rent through an agency, it has the duty to inform you on this registration..

For all the cash payments it is highly advisable to ask for a receipt of payment. The release of the payment receipt is not mandatory, but if the tenant requires it, then the landlord is obliged to give it.

PS: on every receipt there should be put a 2 Euros duty stamp if the amount exceeds 77.47 Euros.

The security deposit

Paying a deposit is not mandatory by law, but, if requested by the landlord, it cannot exceed 3 monthly rents.

The amount of the deposit is subject to the legal interests that the landlord should pay it to the tenant at the end of the renting period.

As a matter of fact, the deposit should be put inside a bank account. The deposit is to cover any damages or any missing thing.

The landlord can instead ask to do a «Fideiussione» (a bank guarantee or insurance guarantee) for the deposit: this kind of guarantee has a cost for the tenant, which is of course given back when the contract expires, and it gives the landlord the possibility to keep the deposit not only for damages/missing items, but also in the case the student decides to leave before the expiration date.

Often happens that, at the time of the refund, quarrels arise between the tenant and the landlord, mostly due to different perceptions on the flat conditions. For this reason, **it is highly advisable to take pictures of the flat before signing the agreement and draft a written report (inventory) with all the pieces of furniture and household appliances you found in the apartment.**

Tips that can help you to get your deposit back without facing any issue:

- a. check carefully your tenancy agreement before leaving the apartment: e.g. it says that you should clean the carpets, or dust the shelves before leaving the flat? Then do it.
- b. fix any caused damage;
- c. make it sure nothing is missing, if so, replace it;
- d. take new pics of the apartment to have a proof of the condition you left it;
- e. if in your tenancy contract is stated that you should professionally clean the apartment, then keep the invoices of the service.

Quiz time!

The registration of the tenancy agreement:

1. Is mandatory by law and can be done both by the landlord and the tenant
2. It is not mandatory by law, but if you don't do it there will be arrears to pay

Step 4.

How to extend your contract

Step 5.
The Landlord rights

Visits by the landlord

The landlord is entitled to come to your apartment to fix something, or just to check the conditions of the flat.

He has the right to come, but he should first **agree with you at least 24 hours in advance** when they are going to be there, and choose a reasonable time to come.

In order to regulate the landlord visits to the apartment, it is recommended to have a clause in the contract stating how many times the landlord is allowed to come and under which conditions.

Can the landlord force the tenant to move out?

YES, if the tenant doesn't pay the rent regularly.

If within 20 days from the due date of payment the tenant does not pay the rent, the landlord can ask to terminate the agreement.

Also, **if the tenant doesn't pay the condo fees, when the amount exceed two monthly payments, the landlord has the right to terminate the agreement.**

Don't make your Landlord unhappy.....

Choosing the tenancy contract “ad uso transitorio” the student is **not allowed to sub-lease the room/apartment**.

Don't forget to pay your registration expenses (imposta di bollo e imposta di registro) after the landlord has sent you the receipt of the registration (his duty). **They have to be paid in equal parts both by the landlord and the tenant**.

Every adjustment to the agreement you'd like to make, has to be agreed by the Landlord, written down and attached to the existent contract.

Don't make any change or improvement to the place you live, unless you have agreed so with the landlord.

By signing the tenancy contract, you'll confirm also that you have carefully inspected the apartment and so you found it suitable to live in. You commit to give it back in the same conditions you found it.

By signing the contract, you also confirm **to observe the rules of the flat complex**, moreover you cannot carry out acts or take behaviors that harm the other condos.

Quiz time!

Are you obliged by law to pay the security deposit?

1. YES
2. NO
3. NO, but if your landlord requires it you have to pay it
4. YES, but it can't exceed 3 monthly payments

Step 6.
FIMAA & ADE

Some fundamental rules to adopt when you rent through the help of a real estate agency

by F.I.M.A.A – the Association of Real Estate brokers of the Province of Milano

1) Make sure the person you are dealing with is a **real estate agent regularly enrolled in the Intermediary register at the Chamber of Commerce**, as required by the Law 3/2/1989 n. 39 (and subsequent amendments and additions). Better still if the subject it is also registered with a trade association, cause it means the subject must respect disciplinary codes and professionalism guarantees.

2) Request the use of forms registered at the Chamber of Commerce (ex L.39 / 89), both for the definition of an assignment and for the subscription of a proposal. These forms must:

- be clear and easily understandable
- contain the real estate agency or broker registration details in the role of the Intermediary
- indicate the object of the contract: purchase proposal, mediation assignment
etc.
- indicate any mortgage registrations or other restrictions on the property
- specify the compliance of the property with the building and urban planning current regulations
- indicate the name of the owner and the title of ownership
- indicate the term within which the definitive act must be drawn up
- to be filled in all their parts, by ticking those not used
- be countersigned by the mediator with whom the negotiation was conducted.

3) Always write down all the details of the agreement, in particular, in the case the proposal is accepted, ask the agent a written notice

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4) Agree on the amount of the commission and the related methods of payment; the form must also clearly states which are services included in the commission and which are excluded, write it down.

The commission is a mediator's right, therefore, be careful of professional services at zero cost, because they often hide abusive or, in any case, deprived services of guarantees for customers.

5) The mediator has the right to get his commission on both the landlord and the tenant, this is a guarantee of neutrality and impartiality of the professional.

6) Pay attention to the reasonableness of the duration of the assignment (three months can be a generally reasonable period) and to the period of validity of the proposal, which should preferably not exceed fifteen days (deadline within which the landlord or tenant have to give the acceptance), except in special cases that must be specified and clarified in the proposal.

7) A fair contract must not contain the following customer restrictions:

- the penalty clause, if imposed on the customer, in case of delay or failure payment of the commission, a manifestly excessive compensation
- the dispute resolution clause, if states as competent court a location other than the customer's residence
- notice of cancellation of the assignment, if the term for the communication is too early compared to the deadline of contract

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8) Instead, a fair contract should include the following commitments for the real estate agent:

- publications at his expense the advertisements that appear in a newspaper, weekly or trade magazine, ecc
- posting of a poster at the headquarters of the real estate agency, with the description and the plan of the apartment for the duration of the assignment
- tel number to be contacted to get info
- possibility for those interested to be accompanied to visit the property
- request to the owner of all the necessary documentation,
- assistance to the customer if necessary the inspections at the Technical Offices, the Financial Offices and Real Estate Registries

☒-check with the Administrators of the existence of condominium expenses arrears or expenses for extraordinary interventions.

9) make sure you have all the information necessary and useful to decide. In particular, do not hesitate to request information on the general characteristics of the property (e.g. the degree of accessibility by disabled people) and urban planning equipment e social networks in the concerned area (schools, hospitals, public green areas, libraries).

Some fundamental rules to adopt when you renting through the help of a real estate agency - FAQ

by F.I.M.A.A – the Association of Real Estate brokers of the Province of Milano

- Q: What's a reasonable commission that an intermediary agency should ask for?

A: It does not exist a chart, the broker or agency is free to ask as much does they want; anyway a suitable percentage is between the 10-15% of the annual rent. We suggest you to clarify from the beginning what's the intended commission the broker/agency requires from you.

- Q: Does the broker/agency has the duty to give you any support also after the contract has been signed?

A: In actual facts no, the broker/agency terminates its work once you have signed the contract with the landlord. By the way some agencies might still give you an help, especially if it's about any matters they were the contact person of.

- Q: Is there any chart that establishes how much can be the cost of the different bedrooms in a shared apartment?

A: There are no actual rules no establish the cost of every different rooms, depends on the case, this can be up to the landlord or the housemates can decide together how much each of them should pay.

- Q: Which one is the formal way to give notice to the landlord about my early withdraw from the contract?

A: It depends on the contract, usually it must be given through registered letter.

THANK YOU

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