



THE PROFESSIONAL ADVICE:

ACQUISITION RULES

In order to have a better understanding of the Miami Real Estate market, we interviewed Antonio L. Roca, expert lawyer in real estate market.

What are the key elements of the process to buy a property in Miami?

First of all, there are three elements that you need for a successful investment:

- Affiliation of a reliable real estate agent;
- Advocate Intervention;
- Creation of the corporate structure that accompanies the purchase.

Normally, a 30-day period is between the first signing of the contract and the termination of the contract. The first 15 days are an inspection period. In fact, from on hand the seller does not have to give any credit for repairs and the property is purchased as it is. On the other hand, the buyer has the possibility to make inspections through an expert. In case there are problems, the contract can be rescinded within the first 15 days without penalty and with the reimbursement of the deposit.

Even more, it is important to carefully structure the investment before you buy the property, assessing whether you need a corporate tool and, if so, what kind of company to create (LLC or Corporation) in order to be fiscally efficient for the investment.

As inspections are carried out, the lawyer starts the cadastral search to verify that there are no unregistered changes, cadastral commitments or mortgage, and are being robbed in case of any such inconvenience. The deposit remains bound on a trust basis, guaranteeing the good end of the purchase.

At the end of the cadastral search, the client sends the balance of the trust account. So when the lawyer has all the money he can pay any mortgages and make the seller feel good.



Why to consult a lawyer during an immobilisation purchase and what is the escrow agent?

Addressing promptly the lawyer is important because often "DIY" investments are made without realizing property issues or by adopting a company type that involves the investor with higher tax costs or inheritance fees.

Attorney's presence not only protects the interests of the buyer / seller, but allows you to manage the practice so that no property with occult problems is purchased. In fact, in the United States, the lawyer performs functions that are carried out by notaries in Italy. This figure, called escrow agent, keeps the deposit on an escrow account, representing a trusted person in front of the state for the cash paid by the customers. He finally deals with the entire cadastre and record of the acts.

What are the different types of companies for buying?

There are two types of companies: LLC or Corporate. Both types are based on limited liability; the difference lies in the tax consequences. For example, Corporation expects higher taxation but, depending on how it is structured, succession taxes can be avoided. This occurs especially in the presence of important capital. So you have to move depending on the type of investment, to determine whether the company will be controlled by an Italian company or a natural person, what will be the tax consequences and how to benefit from bilateral agreements between Italy and USA to prevent double taxation.

Specifically, LLC provides several tax breaks; when LLC shares are headed for natural persons and the property is resold at least one year later, you pay 20% on the capital gain. The inheritance tax varies from 18% to 47% of the value of the property.

For the Corporate, the resale is paid from 20% to 40% on the gain generated. When corporate shares are denominated in a non-American company, the inheritance fees are zero



Attorney Antonio L. Roca