

The National Online

06 August 2015

<http://www.thenational.ae/arts-lifestyle/home-garden/an-italian-job-the-perks-of-investing-in-property-in-italy>

TheNational

ARTS & LIFESTYLE


[Register](#) | [Sign in](#) | [Subscribe](#)
[Video](#) | [Topics](#) | [UAE weather](#)

Investment Trusts

J.P. Morgan's range of investment trusts offers choice & flexibility.

UAE
World
Business
Sport
Arts & Lifestyle
Opinion
Blogs

Film
Art
Books
Music
On Stage
Television
Food
Fashion
Travel
Well Being
Family
Home & Garden
Motoring
Comment-A&L




Lake Como, which has been a popular resort getaway since Roman times, is famous for its celebrity inhabitants, spectacular lake and snow-capped mountains. Getty Images

An Italian job: the perks of investing in property in Italy


Panna Munyal
August 6, 2015 Updated: August 10, 2015 12:00 PM

Tweet
24



EDITOR'S PICKS


One Direction and Justin Bieber are back with new singles



Dubai hosts fourth South Indian International Movie Awards



Jennifer Aniston weds long-time beau Theroux



The Outlook

Related



- Five of the best Italian properties to own
- Newsmaker: Ronda Rousey
- Homes of the future: where Dubai residents will be living in 2020
- A home in the Austrian Alps
- Hot Property: Château Minwart, Wallonia, Belgium

Topics: [Italy](#), [Housing](#)

Why Italy?

The declining value of the euro – €1 is currently worth Dh4.03 compared to Dh5 this time last year and Dh5.30 in 2011 – is encouraging investors and second-home buyers to look at property in Europe. While Greece is still perceived as high risk and Spain and Portugal are bordering on broke, Italy's residential-property sector is fast gaining a reputation as being low-priced and lucrative – because while prices have stayed low, the market is starting to stir again, a healthy sign in a region stagnant since the 2008 financial crash. That Italy is a vacationing spot known for its food, fashion and friendly people doesn't hurt, either.

International corporations such as [Sotheby's](#) and the Italian property portal [Gate-Away.com](#) have reported heightened interest in Italy from UAE buyers in the past year. The Dubai office of Sotheby's International Realty even has a sales team with agents devoted specifically to enquiries for Italy.

Diletta Giorgolo Spinola, the head of sales at Tuscany Sotheby's International Realty, says: "Italian property prices are 30 per cent below their peak right now, but because the market is finally starting to move again, this is the perfect time to invest in an overseas home in Italy. Vendors can't put their properties on the market at an inflated value because there are too many other sellers prepared to negotiate."

Francesco Carlucci, the cofounder of the luxury property developer Essentis Properties, adds: "We were in the middle of the crisis five years ago, and while I wouldn't say it's now completely behind us, Italy's economy is returning to health and there are still plenty of bargains to be had if you look in the right areas. Moreover, many UAE buyers will pay with dollars, and the dollar has never been stronger than it is now against the euro. My forecast is that between 2010 and 2020, there will be an increase of 35 to 40 per cent in prices for the best properties. For example, the Puglia region came to the map about 10 years ago and now the property has doubled in value."

From Abruzzo to Umbria

When it comes to areas of interest, Lorenzo Micolini, the managing director of Sotheby's International Realty, says: "Buyers from the UAE and GCC are looking at developments in major cities, such as Rome, Milan and, on a minor scale, Florence, and there also appears to be an interest in hotels as an investment. As the UAE clientele gets more acquainted with Italian opportunities, it is likely that an interest in trophy assets will resume."

Trophy assets have traditionally included properties in Tuscany, Lake Como in the Lombardy region, Portofino in Liguria and the island of Capri in Campania, while research by [Gate-Away.com](#) on the enquiries received specifically from the UAE between January 2014 and May this year suggests buyers are also interested in Abruzzo, Piedmont, Puglia, Sardinia, Veneto and Umbria.

The 17-month [Gate-Away.com](#) survey indicates the average value of the properties that UAE investors are looking at is €773,000 (Dh3.1 million), with maximum interest in the €100,000 to €250,000 range (Dh403,082 to Dh1m) – the upper end of which is what you would pay for a one-bedroom apartment in Dubai's Jumeirah Lakes Towers or a studio on Al Reem Island in Abu Dhabi. In Italy, the same amount would allow you to take your pick from a four-bedroom villa in the city of Palermo; a three-bedroom house in Lombardy; or three-bedroom apartments in Liguria and Umbria.



- Five of the best Italian properties to own
- Newsmaker: Ronda Rousey
- Homes of the future: where Dubai residents will be living in 2020
- A home in the Austrian Alps
- Hot Property: Château Minwart, Wallonia, Belgium

Topics: [Italy](#), [Housing](#)

However, 19.5 per cent of buyers from the UAE would spend more than €1m (Dh4m) on a second home in the Mediterranean country, which is significantly above the international average. "While 53 per cent of requests from the UAE come for properties under €250,000, this is low compared to a 65.4 per cent world average for the same price. The purchasing power of investors from the UAE is very high, and many requests focus on the most exclusive and expensive areas of Italy, such as Lake Como in Lombardy. If the overall requests for high-end properties represent about 8 per cent of total international enquiries, those from UAE [for expensive properties] are 20 per cent."

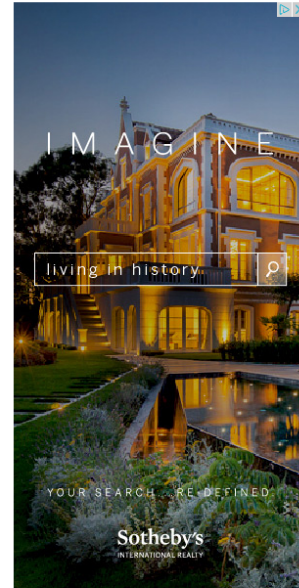
Buyer's speak

Robin Morgan, a now-retired businessman who lived between the south of France and Italy, bought a nine-bedroom house in the Santa Margherita Ligure near Portofino last month. He says: "This is as close to paradise as I will get. The beauty is breathtaking." Morgan paid US\$2m (Dh7.3m) for the 2,730-square-foot property, and additional restructuring charges of \$500,000 (Dh1.8m). "While others may not want as many rooms or set about redecorating as enthusiastically as my wife, prices are low compared to pre-2008.

"If you are looking to invest, pay a little extra for a competent real-estate agent, most of whom take a 3 per cent service charge. It is also important that the property not have any variances with respect to the documentation deposited in the zoning office of the city. Any differences must be resolved before closing, and an agent can act on your behalf," Morgan says.

pmunyal@thenational.ae

The Outlawz triumph at Dubai's The Music Room



FOLLOW US



Like us

[f](#) Like 178k

Tweets

[Follow](#)

The Music Room

