

## Will the sale of public trophy assets still be used to solve Italy's economic crisis?

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The new Conte Government ('Conte-bis') will have to tackle some of the measures in the real estate sector which the previous executive had tried to sort out.

One of the most relevant issues left hanging by the first Conte Government was the maxi plan for the sale of state-owned assets to help reduce Italy's public debt.

The plan involved an immediate reduction in Italy's public debt and an improvement in the finances of local authorities. This was to be achieved by selling and revaluing State properties which were not currently being used and was a joint effort on the part of the State Property Office (Agenzia del Demanio), the Ministry of Defence and Invimit SGR.

The 2019 Budget Law states this would have meant the recovery of "an estimated Euro 1.2 billion" during 2019-2021 (950 million in 2019 and 150 million in each of the following years).

The Ministry of Economy and Finance issued a decree setting out the relevant perimeters and how the sales would be handled. A list of 420 State's assets/holdings, including land and properties not being used for institutional purposes was selected by the State Property Office and listed in the decree.

To date, the first three lots (and the most valuable) [93 properties](#) – amongst the 420 identified in the ministerial decree – are currently being auctioned by the State Property Office for an estimated total value of Euro 145 million. Inside sources claim that there will be a further auction by the end of the year.

In the meantime, the State Property Office has already begun selling nearly 1.200 public properties at tender through private negotiations and at regional auctions (there are currently 14 regional auctions planned in September 2019).

A further Euro 610 million are due to be raised by [Invimit SGR](#), an asset management company 100% owned by the Ministry of Economy and Finance, through the sale of publically-owned assets managed by Invimit's real estate funds.

Finally, 41 properties owned by the Ministry of Defence, estimated at around Euro 160 million, are also due to be sold. (The list was approved by Ministerial Decree on 14 June 2019).

In the "Economic and Financial Document" the Italian Government predicted – in addition to the 1.2 billion already planned – "revenue from privatizations and other financial income of nearly 1% of GDP in 2019 and 0.3% in 2020" for a total value of circa Euro 16-17 billion.

We wonder whether this extraordinary plan for the sale and revaluation of trophy assets will, in fact, continue with the Conte-bis Government or whether the new Government will slow down and focus on other priorities.

Notwithstanding the instability of Italy's political scene, the trend in the Italian real estate market remains positive. In fact, according to the latest data published by Cushman & Wakefield in their Global Investment Atlas 2019-2020, cross-border real estate investment is expected to grow, foreseeing a positive phase in the Italian property cycle.

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