

Bricks & Mortar

Viva Italia

IN LAKE COMO, TUSCANY AND VENICE
THE BRITS ARE BUYING AGAIN

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COVER STORY

Take me back to Tuscany or Venice

The Brits are buying again in Italy but they want renovated homes — not ruins — in popular spots, says Carol Lewis

Whether it is a romantic trip in a gondola on Venice's Grand Canal, a family meal on the terrace of a villa in Tuscany or sightseeing in a Fiat 500 in Rome, the British love the Italian lifestyle. However, in recent years we haven't been quite so keen to own a slice of la dolce vita. Romantic notions of restoring remote Tuscan farmhouses waned with the economy — ours and theirs.

Estate agents are now reporting that British buyers are back. A report on the Italian property market by Knight Frank, published today, states: "In 2015, inquiries from buyers looking for an Italian property jumped by 57 per cent year-on-year. Tuscany generates the most interest but Liguria and the Italian Lakes, from Como to Maggiore, are increasingly on buyers' radars."

Market confidence is strengthening, residential sales increased by 7 per cent in 2015 and Italy's consumer confidence index is up 39 per cent since its low in 2012, according to the agency. When

combined with a favourable currency exchange — a €1 million (£780,000) home was 12 per cent (£94,000) cheaper in January this year than it was in January 2014, thanks to the strength of sterling — it is not difficult to see why those who had been hesitant might now be willing to buy.

Annabelle Dudley, the head of Italian sales for Savills, says that in 2015 inquiries doubled, with people heading back to well-loved holiday spots to buy.

Favourites for those looking for family holiday homes are the countryside around Chianti and Lucca in Tuscany, and the lakeside villages of Laglio and Argegno on Lake Como. More popular for those wanting to mix pleasure with business and let out properties are two-bedroom apartments in the cities of Venice and Florence — lured by potential rental yields of 5 to 6 per cent, according to Dudley.

Diletta Giorgolo Spinola, the head of sales at Tuscany Sotheby's International Realty, notes the return of investors to the region's cities. "Those looking for a good investment should look to city-centre properties in Rome, Florence and Venice. Properties that can be rented out easily and for short periods are snapped up," Spinola says.

"Italy's expected recovery in employment and other sectors will have a direct effect on the real estate market, in particular residences and offices. We are expecting residential real-estate transactions to increase by 6 to 10 per cent throughout 2016. There is strong interest from international buyers and Tuscany is still the number one choice, with farmhouses and traditional villas in Lucca and Siena proving most popular."

Spinola says people are also reluctant to renovate a wreck — seeking instead something ready to move in to, in a convenient location, not too far from an airport and within walking distance of amenities.

Property prices hit a low in 2012 and are slowly rising, although they are still some way off their pre-crisis peak. According to Knight Frank, prime property prices rose fastest in Venice (2.1 per cent), and slowest in Sardinia (-3 per cent, see left). Sales volumes in Tuscany, Liguria, Sardinia and Umbria were up, with British buyers most



Minutes away from the heart of Florence on the hill of Poggio Imperiale is this four-bedroom villa, for sale at €4.75 million (£3.711 million) with Sotheby's International Realty

prevalent in Tuscany, the Italian Lakes, Umbria and Sardinia.

Julia Bracco, of Christie's International's affiliate, Immobiliarda, says that, in Sardinia, British buyers attracted by the traditional architecture of the region are most interested in the area of Gallura, on the Costa Smeralda. "They prefer properties set back from the coast that offer seclusion but are in easy reach of amenities. The towns of Porto Cervo, Porto Rotondo, San Pantaleo and Cannighe are sought after for the lifestyle on offer, including the marina, yacht club, restaurants and high-end shopping."

Average house prices across Italy vary, depending on location and facilities, but generally prices per sq m are lower in Florence and Milan (about €6,000) than



Via Regina, on the shores of Lake Como, in Lombardy, is for sale at €8 million (Italy Sotheby's International Realty). Left: This farmhouse in Chianti, Tuscany, is on the market at €1.8 million through Knight Frank. Tuscany (on the cover) is still a favourite with buyers

Venice (about €9,000) and Rome, which is the most expensive (€12,000), according to Knight Frank.

Rupert Fawcett, the head of the Italian department at the agency, says: "What can we expect in 2016? Prices will stay level; we don't see immediate rises or substantial drops on the horizon."

"What we are seeing is a return to trusted locations. At the market's peak, buyers looked to regions such as Le Marche and Abruzzo for greater value for money. With prices having dropped across the board since 2009 and now resting at about 30 per cent below their peak, Chianti is back in favour, along with Lucca and Pisa and the hilltop villages of Montepulciano, Cortona and the Val d'Orcia. In Umbria, the Niccone valley, Perugia and, to the south, Todi and Orvieto remain the more requested locations."

Fawcett adds: "We find buyers are either a Tuscany type, drawn by its rolling hills and Renaissance architecture, or they love Umbria for its rugged Etruscan landscapes, they rarely search in both. The price gap between the two is narrowing. Where Tuscany's rise to fame in the 1970s means many of its properties are now in need of modernisation — and priced accordingly — Umbria joined the picture later and its properties tend to have been more

recently renovated.

"For opportunities beyond the big two, Liguria — long a holiday-home destination for Italian buyers — is regaining its appeal with British, American and northern European buyers. The western side in particular, easily accessible from Nice airport, offers far greater value for money than the Côte d'Azur, and coastal towns such as Sanremo and Bordighera are seeing a resurgence in popularity."

So all is rosy under the Tuscan sun? Gemma Bruce, the head of Italian property sales for Aylesford International, says: "Yes, that absolutely was the case. Until the end of November last year, properties that had sat on the market finally sold — and not at knock-down prices. I started to think things were really picking up, but since then, the stock markets have been going crazy and the exchange rate is all over the place — there is hesitancy again."

The recovery is precarious and several clients have reduced their budgets significantly in the past month. Sellers, though, are poised to negotiate — typically offering reductions of 10 to 15 per cent, Bruce says.

Buyers are also conscious that they may need to rent the holiday home if times get tougher and are asking for detailed figures on rental options before they buy. For family villas near Lucca, this can mean €3,000 a week in rent for between 20 and 25 weeks a year.

"On the plus side," Bruce says, "last year's confidence means that there are lots of great properties coming on to the market, sensibly priced."

What is more, the forthcoming 3 per cent second home and buy-to-let tax being introduced in Britain in April might well make people look again at Italy, which has no capital gains tax and low inheritance tax, she says.

Annual change in prime property prices



Four-bedroom La Loggia Farmhouse in Volterra, Tuscany, has been fully restored. It is for sale at €2.9 million (Aylesford International)

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Fashion weeks in Milan (above) proper prices last year while London (right) they