



H2 2020

PRESTIGIOUS HOMES MARKET

MILAN-ROME-TURIN-GENOA-FLORENCE-NAPLES

SANTANDREA
luxury houses



SANTANDREA
luxury houses

TABLE OF CONTENTS

PRESTIGIOUS HOMES MARKET	5
HIGHLIGHTS	6
REPORT SUMMARY	9
PRESTIGIOUS PROPERTIES MARKET	10
PRICE LIST FOR PRESTIGIOUS HOMES	14
PROFILE OF HIGH-DEMAND PROPERTIES	16
DEMAND	18
TOP CHARACTERISTICS	19



PRESTIGIOUS HOMES MARKET

With respect to the inevitable consequences of the pandemic, the prestigious properties market has held up on the whole. To summarise the last six months of 2020: first, interest in luxury homes has regained the same intensity as in the pre-Covid period, prices have remained essentially stable - because, in the luxury sector, slight downturns do not significantly affect the final sale value - and the duration of negotiations has remained on average between 6 and 7 months. In particular, the greatest recovery occurred from mid-September, since in the summer months - despite a certain level of activity following the hard lockdown in March and April - remote working and stays in holiday homes actually reduced the presence of people and therefore demand, mainly in the larger cities. Conversely, the soft lockdown at the end of October and in November had a relatively lower impact on the trend in sales, to the extent that we closed the year with a positive December. However, this does not mean that, at the end of the day, there was no drop in the number of sales, but the decrease was predominantly due to the increase in time required to complete the entire sales process, especially the execution phase, starting with preliminary contracts and final deeds of sale. In this case, the health emergency and its consequent limitations in regard to movement had quite the impact. For example, transactions that could have been completed in November were postponed to February or March, due to difficulties in acquiring the documentation or for health reasons. If this is the present, the future will most likely be divided into two phases. A state of uncertainty will persist in the first part of 2021, causing the market to suffer, as there will continue to be a lack of foreigners and sales will focus on Italians and on residential areas: purchases to change homes show some improvement, for new families, for children moving out on their own, etc. However, in the summer, with greater distribution of the vaccine and more clarity on what can be done and, above all, when, confidence will grow and the luxury property market is likely to experience new momentum. Also, thanks to the return to Italy of foreign clients and investors, absent in 2020, with a positive impact on the purchase of second homes as well. Lastly, a word on the requirements and amenities most in demand for luxury residences: in general, the pandemic has accelerated the trends already in place in prior to Covid. Particularly in the case of outdoor spaces: while buyers previously preferred a terrace or perhaps a garden, now they demand it. The same goes for the extra room, to be used as an office and/or for remote working: now it is essential. There is greater attention towards the building's sustainability as well, not only for ethical purposes but for cost containment. In other words, what in the past was just a desire, now has become a necessity.

Fabio Guglielmi

Director

Gabetti Agency

HIGHLIGHTS

The report analyses the key indicators of the prestigious residential market, with the objective of providing a snapshot from the real estate and qualitative standpoint. In particular, the macro trends for the major cities are provided, in terms of prices, rents,

average sales times and average discounts, trend in demand and supply; these indicators are also analysed at the micro-zone level, through mapping of the key prestigious areas of the two cities.

TRANSACTIONS H2 2020



MILAN

 - 0.5%

Prices H2 2020/H1 2020



5 - 6 months

Average sale times



10.6%

Percent discounts

**HISTORIC CENTRE
BRERA**

Most requested zones



ROME

 - 2%

Prices H2 2020/H1 2020



9 months

Average sale times



12%

Percent discounts

**PARIOLI
HISTORIC CENTRE - TRIESTE**

Most requested zones



TURIN

- 0.7%

Prices H2 2020/H1 2020



4 - 5 months

Average sale times



7-8%

Percent discounts

**QUADRILATERO - VIA ROMA
P.ZZA GRAN MADRE**

Most requested zones



GENOA

- 1.9%

Prices H2 2020/H1 2020



7 months

Average sale times



9%

Percent discounts

**ALBARO - CARIGNANO
QUARTO**

Most requested zones



FLORENCE

0%

Prices H2 2020/H1 2020



6 months

Average sale times



12%

Percent discounts

**LUNGARINI - PORTA ROMANA
VIA MAZZINI**

Most requested zones



NAPLES

0%

Prices H2 2020/H1 2020



8 months

Average sale times



13%

Percent discounts

**VOMERO
CHIAIA**

Most requested zones

Source: Gabetti Research Department analysis of Santandrea data

REPORT SUMMARY

After the reopening of activities in May, the prestigious homes market gradually began to show positive signs. In particular, the greatest recovery occurred from mid-September, since in the summer months - despite a certain level of activity following the hard lockdown in March and April - remote working and stays in holiday homes actually reduced the presence of people and therefore demand, mainly in the larger cities. Conversely, the soft lockdown at the end of October and in November had a relatively lower impact on the trend in sales transactions.

With regard to prices, slight declines were observed in Milan (-0.5%) and Turin (-0.7%). Larger declines were recorded in Rome (-2%) and Genoa (-1.9%) and stability in Florence and Naples.

Average sale times were around 5-6 months in Milan, 7 in Genoa, 4-5 in Turin, 6 months in Florence, 8 in Naples and 9 months in Rome.

Discounts upon closing of negotiations were around 10% for Milan and Genoa; slightly lower in Turin (7-8%) and higher in Naples (13%), Florence (12%) and Rome (12%).

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With respect to the inevitable consequences of the pandemic, the prestigious properties market has held up on the whole

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Fabio Guglielmi

Director

Gabetti Agency

PRESTIGIOUS PROPERTIES MARKET

MILAN

The **freehold market in Milan** showed varying trends during the second half of 2020, depending on the zone in question. The Brera and Historic Centre zones were again the most dynamic, with stable demand. Demand was down in the zones of Palestro-Duse and Quadrilatero. In terms of supply, the availability of properties was stable, with the exception of the Historic Centre. Prices were essentially stable (-0.5%), with slight declines only in the Quadrilatero zone and Palestro-Duse.

In terms of existing buildings, **the average gap between asking and actual price** at the city level amounted to around **10%**, down slightly compared to the figure recorded in the prior half-year, with slight differences among the various zones. **The average sales time is 5-6 months**, up compared to the prior survey: times are faster in Magenta-Pagano-Castello (4-5 months) and in the Historic Centre (4-6 months) and a bit longer in the other zones, at 6-8 months.

The zones highest in demand are confirmed to be the Historic Centre and Brera, while the most popular sizes are between 180 and 200 sqm, with at least three bedrooms. Clients are predominantly oriented towards new or refurbished solutions with open liveable areas, such as terraces or large balconies and including garage/parking space.

ZONES IN MILAN	Demand to buy	Supply for sale	Number of transactions	Transaction prices
QUADRILATERO	↓	↔	↓	↔↓
HISTORIC CENTRE	↔	↑	↓	↔
BRERA	↔	↔	↓	↔↓
MAGENTA-PAGANO-CASTELLO	↔	↔	↓	↔
PALESTRO-DUSE	↓	↔	↓	↔↓

ROME

Demand in **Rome** was stable during the second half of 2020, except for the zones of Salaria-Trieste and Trastevere, which recorded a slight increase. Supply for sale was also stable overall, while **prices** recorded a slight decline (-2%).

The average gap between asking and actual price for existing buildings was **12%**, while the **average sales times**, around **9 months**, vary from a minimum of 6 to a maximum of 12 months.

The preferred zones are Parioli, the Historic Centre and Trieste. The most sought-after units are those of around 150 sqm with at least three bedrooms. Solutions that are already refurbished are preferred. Features with the greatest appeal include parking space, terrace and private garden.

ZONES IN ROME	Demand to buy	Supply for sale	Number of transactions	Transaction prices
AVENTINO	↔	↔	↔↓	↓
HISTORIC CENTRE	↔	↔	↔↓	↓
FLAMINIO	↔	↔	↓	↓
PARIOLI	↔	↔	↓	↓
PINCIANO-VENETO	↔	↔	↓	↓
PRATI	↔	↔	↓	↓
SALARIO-TRIESTE	↔↑	↔	↓	↓
TRASTEVERE	↔↑	↔	↓	↓

TURIN

In **Turin**, the demand to buy in H2 2020 showed different trends in the various zones: up in Crocetta, Piazza Gran Madre, Cit Turin and surroundings; stable in Quadrilatero, Via Pietro Micca, Piazza Solferino and surroundings and Precollina; down in the Corso Massimo D’Azeglio zone. With the exception of the zones of Cit Turin and Quadrilatero which recorded a minimal decline, prices were stable overall, with slight declines in the Quadrilatero zone, Pietro Micca, Via Roma and surrounding streets and, conversely, a slight increase in Crocetta and Corso Massimo D’Azeglio.

The **average sales times** during the second half of 2020 were **4-5 months**, with an average discount upon closing of negotiations of **7-8%** of asking price. The most appealing features are the presence of a terrace, parking space and upper floor. The solutions most in demand are approximately 180 sqm in size with 2 bedrooms. Demand is highest in the zones of Quadrilatero, the Via Roma area, Piazza della Gran Madre and the surrounding streets.

ZONES IN TURIN	Demand to buy	Supply for sale	Number of transactions	Transaction prices
CROCETTA	↑	↑	↑	↔
CIT TURIN	↑	↓	↓	↓
QUADRILATERO (from C.so Vittorio to Piazza Vittorio-Via Po and from C.so Cairoli to Via Roma)	↔	↔	↔	↓
VIA ROMA AND NEARBY STREETS	↑	↓	↓	↔
VIA PIETRO MICCA AND NEARBY STREETS	↔	↔	↔	↔
PIAZZA SOLFERINO AND NEARBY STREETS	↔	↔	↔	↔
C.SO MASSIMO D'AZEGLIO (from C.so Vittorio to C.so Raffaello)	↓	↔	↔	↔
PIAZZA GRAN MADRE AND NEARBY STREETS	↑	↓	↓	↔
PRE-COLLINA	↔	↑	↔	↔

GENOA

Demand in Genoa is up in the zones of Quinto, Quarto, Centre, Albaro and Carignano, while demand is stable in the Nervi and Castelletto zones. **Prices** are down slightly overall (-1.9%), while average sales times are **7 months**, with an average **discount** upon closing of negotiations of **9%** of asking price.

In addition to a garage, the **Genoa** market also focuses on the presence of a terrace, in particular with sea view, or private garden. The solutions most in demand are approximately 140-150 sqm in size with 2-3 bedrooms. The zones highest in demand include Albaro, Carignano and Quarto.

ZONES IN GENOA	Demand to buy	Supply for sale	Number of transactions	Transaction prices
ALBARO	↑	↔	↑	↓
CARIGNANO	↑	↑	↑	↓
CENTRE	↑	↔	↔	↓
CASTELLETTO	↔	↔	↓	↓
NERVI	↔	↔	↑	↓
QUARTO - QUINTO	↑	↑	↔	↓

FLORENCE

In Florence, stable demand to buy was confirmed for Piazzale Michelangelo (Bellosguardo, Volta and Salviatino). Demand was down in Lungarni and the Historic Centre, due to a decline in foreign investment demand following the Covid emergency. Conversely, the Prima Collina zone is up, due to the higher demand for larger solutions with gardens, triggered during the lockdown period.

Average sales times amounted to 6 months, while the average discount applied upon closing of negotiations was 12% of asking price. There is a preference for apartments that are new/refurbished or in good condition, within period buildings or in prestigious contexts, with a size of around 200 sqm and 3 bedrooms.

ZONES IN FLORENCE	Demand to buy	Supply for sale	Number of transactions	Transaction prices
HISTORIC CENTRE, OLTRARNO	↓	↔	↓	↔
LUNGARNI	↓	↔	↓	↔
PIAZZALE MICHELANGELO, BELLOSGUARDO, VOLTA, SALVIATINO	↔	↔	↔	↔
VIALI (Via Masaccio, Via Mazzini, Oberdan)	↔	↑	↔	↔
PRIMA COLLINA (Fiesole, B.Ripoli)	↑	↑	↑	↔

NAPLES


In **Naples**, within the most exclusive neighbourhoods, demand is stable in Chiaia and up in Posillipo. The trend in prices is generally stable compared to the prior half-year.


Average sales times are 8 months, but with differences: 4-5 months in Vomero, 9 months in Chiaia and 10 in Posillipo. The **discount** upon closing of negotiations is around 13% of asking price.


Naples recorded higher demand for apartments that are new or to be refurbished, with areas of approximately 130 sqm and 3 bedrooms. Of particular interest are solutions with parking space and terrace, predominantly in the Vomero zone (Piazza Vanvitelli, Via Scarlatti, Via Luca Giordano). Mention also goes to Via dei Mille in the Chiaia zone and Via Manzoni in the Posillipo zone.


ZONES IN NAPLES	Demand to buy	Supply for sale	Number of transactions	Transaction prices
CHIAIA	↔	↔	↔	↔
POSILLIPO	↑	↑	↔	↔
VOMERO	↑	↑	↑	↔


PRICE LIST FOR LUXURY HOMES


		H2 2020			
		New/Refurbished		To be refurbished	
	MILAN	Minimum	Maximum	Minimum	Maximum
	QUADRILATERO	10,800	13,700	8,900	10,900
	HISTORIC CENTRE	7,800	8,850	6,300	7,400
	BRERA	9,150	11,200	6,700	7,750
	MAGENTA-PAGANO-CASTELLO	7,800	9,350	5,800	6,800
	PALESTRO-DUSE	8,800	10,300	7,300	8,250

		H2 2020			
		New/Refurbished		To be refurbished	
	ROME	Minimum	Maximum	Minimum	Maximum
	AVENTINO	7,600	10,640	5,930	8,380
	HISTORIC CENTRE	8,580	11,130	7,200	9,170
	FLAMINIO	4,270	5,630	3,840	4,810
	PARIOLI	5,540	6,520	4,070	4,860
	PINCIANO-VENETO	5,730	6,700	4,270	5,240
	PRATI	5,880	6,670	4,700	5,100
	SALARIO-TRIESTE	5,400	6,390	3,870	4,860
	TRASTEVERE	7,000	7,990	6,130	7,000

		H2 2020			
		New/Refurbished		To be refurbished	
	TURIN	Minimum	Maximum	Minimum	Maximum
	CROCETTA	2,400	3,700	1,700	2,200
	CIT TURIN	2,700	3,700	1,700	2,500
	QUADRILATERO (from C.so Vittorio to Piazza Vittorio-Via Po and from C.so Cairoli to Via Roma)	3,400	4,200	2,400	3,000
	VIA ROMA and surrounding streets	3,500	5,500	2,800	3,500
	VIA PIETRO MICCA and surrounding streets	2,800	4,000	2,600	3,000
	PIAZZA SOLFERINO and surrounding streets	2,800	4,300	2,600	3,000
	C.SO MASSIMO D'AZEGLIO (from C.so Vittorio to C.so Raffaello)	2,000	2,800	1,700	2,400
	PIAZZA GRAN MADRE and surrounding streets	2,900	4,800	2,500	3,000
	PRE-COLLINA	2,000	2,800	1,500	1,800

 GENOA	H2 2020			
	New/Refurbished		To be refurbished	
	Minimum	Maximum	Minimum	Maximum
ALBARO	3,600	4,500	2,250	3,250
ALBARO - Jenner, Camilla, Gambaro, Montallegro, Causa	4,400	5,000	3,300	4,250
NERVI - Quinto	3,250	4,100	2,700	3,150
NERVI - Pescetto, Palme, S. Ilario	3,600	4,200	2,900	3,350
QUARTO - viale Quartara, Genveys, Ponte dell'Amiraglio	3,400	4,000	2,400	2,900
CARIGNANO	3,600	4,200	2,300	3,200
CENTRE	3,100	3,700	2,200	2,550
CASTELLETO	2,350	2,750	1,750	2,050

 FLORENCE	H2 2020			
	New/Refurbished		To be refurbished	
	Minimum	Maximum	Minimum	Maximum
HISTORIC CENTRE, OLTRARNO	4,700	7,200	3,450	4,500
LUNGARNI	4,950	7,200	4,100	4,700
PIAZZALE MICHELANGELO, BELLOSGUARDO, FIESOLE	4,700	6,500	4,000	4,700
VIALI (Via Masaccio, Via Mazzini, Oberdan)	3,400	4,500	2,650	3,300
PRIMA COLLINA (external belt of city)	3,300	4,600	2,500	3,200

 NAPLES	H2 2020			
	New/Refurbished		To be refurbished	
	Minimum	Maximum	Minimum	Maximum
CHIAIA - Via Dei Mille, Via Caracciolo, Via Partenope	6,500	8,000	4,500	6,000
POSILLIPO	6,000	8,000	4,500	5,900
VOMERO - Falcone e Scarlatti-Vanvitelli-Funicolare	4,500	6,000	4,000	5,000

Gabetti Research Department analysis of Santandrea data

PROFILE OF HIGH-DEMAND PROPERTIES

MILAN - H2 2020

MOST REQUESTED ZONES



- Historic Centre
- Brera

PROFILE OF HIGH-DEMAND PROPERTIES

- 180-200 sqm**
- 3**
- New - Refurbished**
- Garage - Parking space - Terrace**

ROME - H2 2020

MOST REQUESTED ZONES



- Parioli
- Historic Centre
- Trieste

PROFILE OF HIGH-DEMAND PROPERTIES

- 150 sqm**
- 3**
- Refurbished**
- Parking space - Terrace - Private garden**

TURIN - H2 2020

MOST REQUESTED ZONES



- Quadrilatero
- Via Roma and surrounding streets
- P.zza Gran Madre and surrounding streets

PROFILE OF HIGH-DEMAND PROPERTIES

- 180 sqm**
- 2**
- New - Refurbished**
- Parking space - Terrace**
- Apartment**

GENOA - H2 2020

MOST REQUESTED ZONES



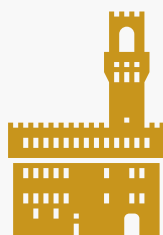
- Albaro
- Carignano
- Quarto

PROFILE OF HIGH-DEMAND PROPERTIES

- 140 - 150 sqm**
- 2/3**
- New - Refurbished**
- Garage - Terrace on the floor - Private Garden**
- Apartment - Sea View**

FLORENCE - H2 2020

MOST REQUESTED ZONES



- Lungarni
- Porta Romana
- Piazzale Michelangelo

PROFILE OF HIGH-DEMAND PROPERTIES

- 200 sqm**
- 3**
- Existing**
- Garage - Parking space - Terrace - Private Garden**
- Apartment in historic building or prestigious context - Upper floor with view**

NAPLES - H2 2020

MOST REQUESTED ZONES



- Piazza Vanvitelli, Via Scarlatti
- Via Luca Giordano
- Via Dei Mille, Via Manzoni

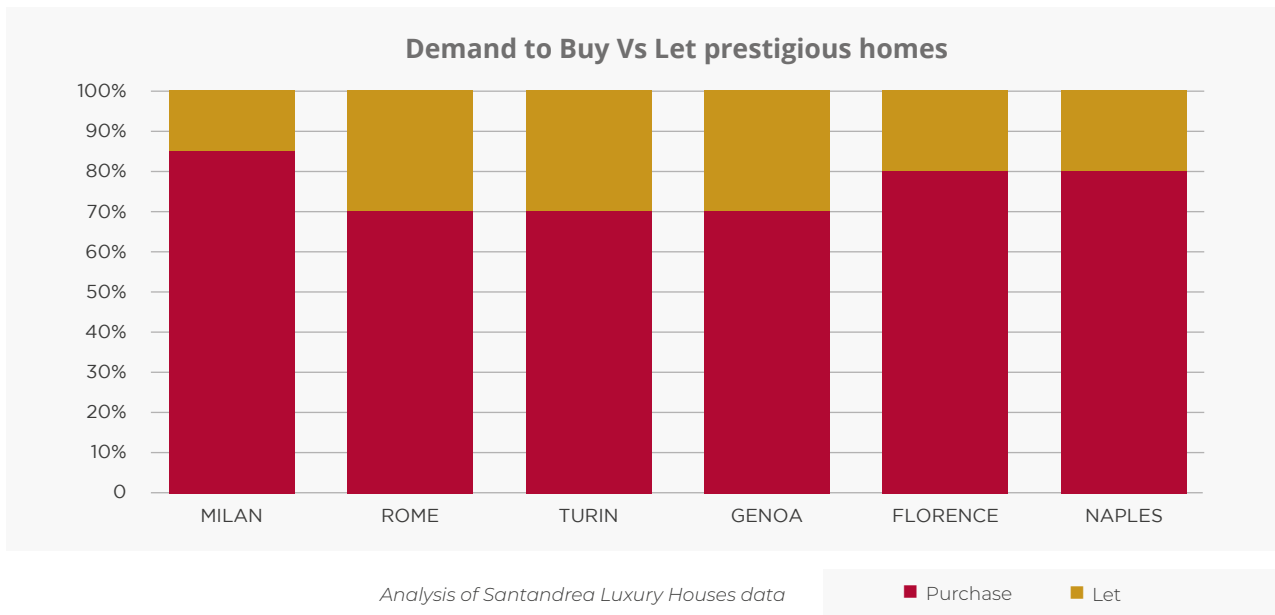
PROFILE OF HIGH-DEMAND PROPERTIES

- 130 sqm**
- 3**
- New - Refurbished**
- Garage - Terrace - Private Garden**
- Apartment**

Source: Santandrea Luxury Houses

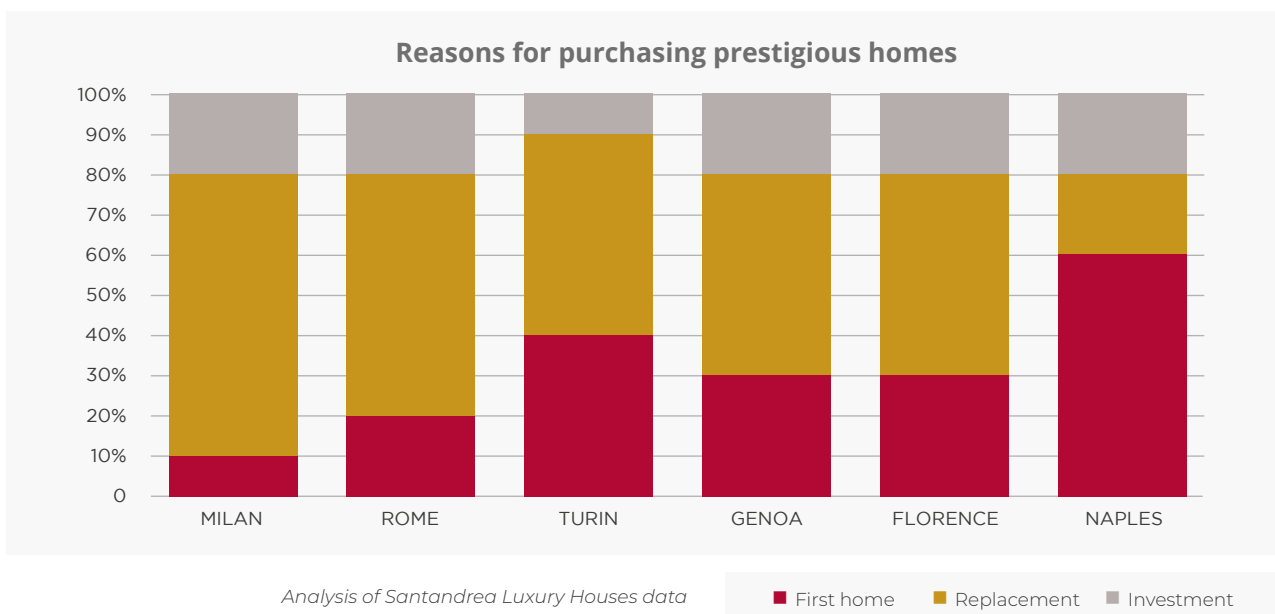
DEMAND

During the second half of 2020, the demand components with regard to freehold and leasehold showed different dynamics. In general, based on the requests received by Santandrea, there is a predominance of demand to buy (on average 76%), compared to 24% of requests for leasehold solutions.



The main reason for purchasing a prestigious home in the cities monitored is to **replace** and upgrade one's home compared to the first home purchased, on average accounting for 50% of requests.

The **investment** component, which underwent a slowdown due to the pandemic, accounts for a less significant portion, at around 18% of cases. In this scenario, a number of differences are still observed among the various cities, based on the relative socio-demographic characteristics.



TOP CHARACTERISTICS

With regard to characteristics, during the second half of 2020, a **terrace** and **upper floor** are confirmed as two of the key requests in the demand for prestigious homes.

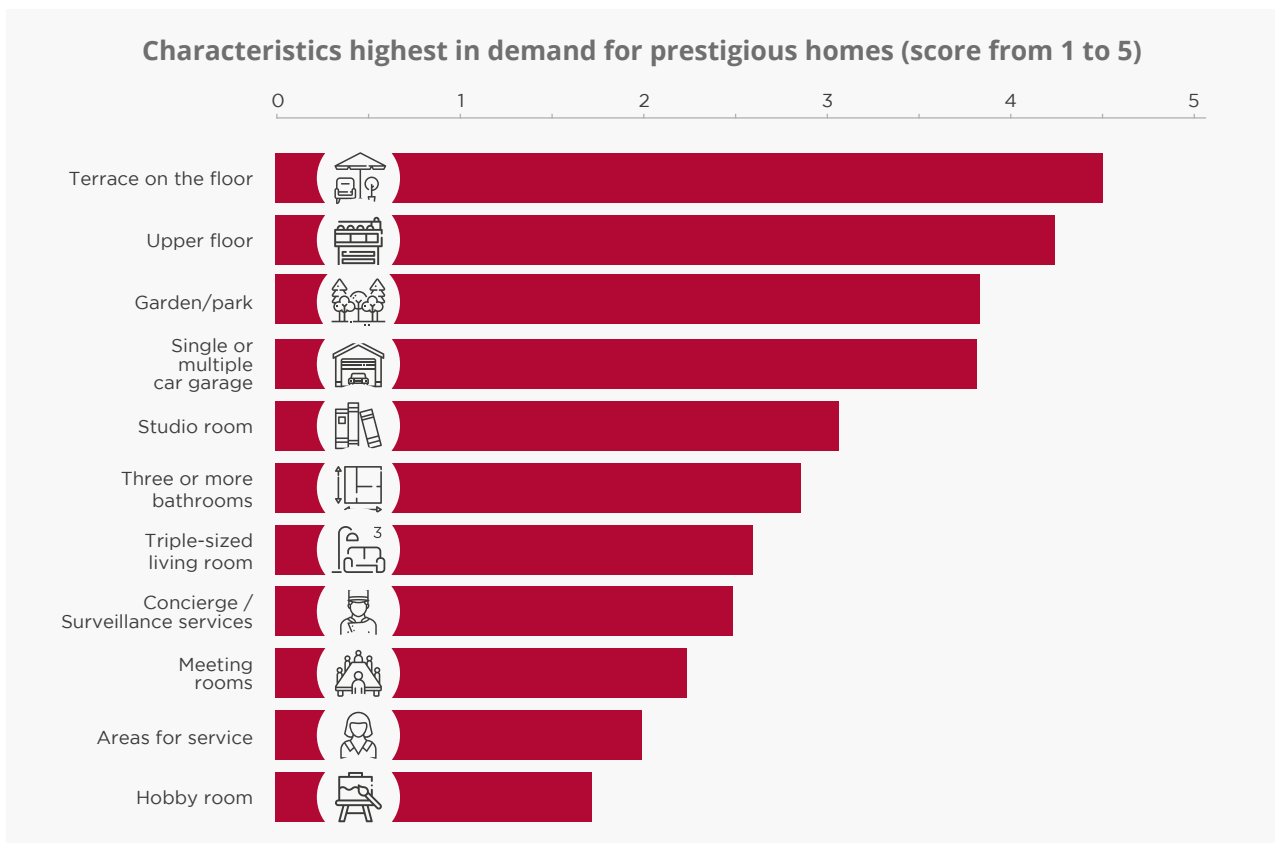
The impact of the lockdown periods caused by the health emergency has generally increased the need to enjoy the outdoor space in one's own home: it is no coincidence that in this six-month period, as well as confirming the need for a terrace, the presence of a garden increased to third place among the most requested elements.

Conversely, this trend is also reflected in penalising elements as well: while the mezzanine floor remains in low demand in the premium segment, this has less of an impact if the property has its own **outdoor garden**. The lower relative weight in negative terms of this element is found in all cities, with the exception of Milan and Turin, where the need for a garden takes a backseat to the demand for a higher floor with a terrace.

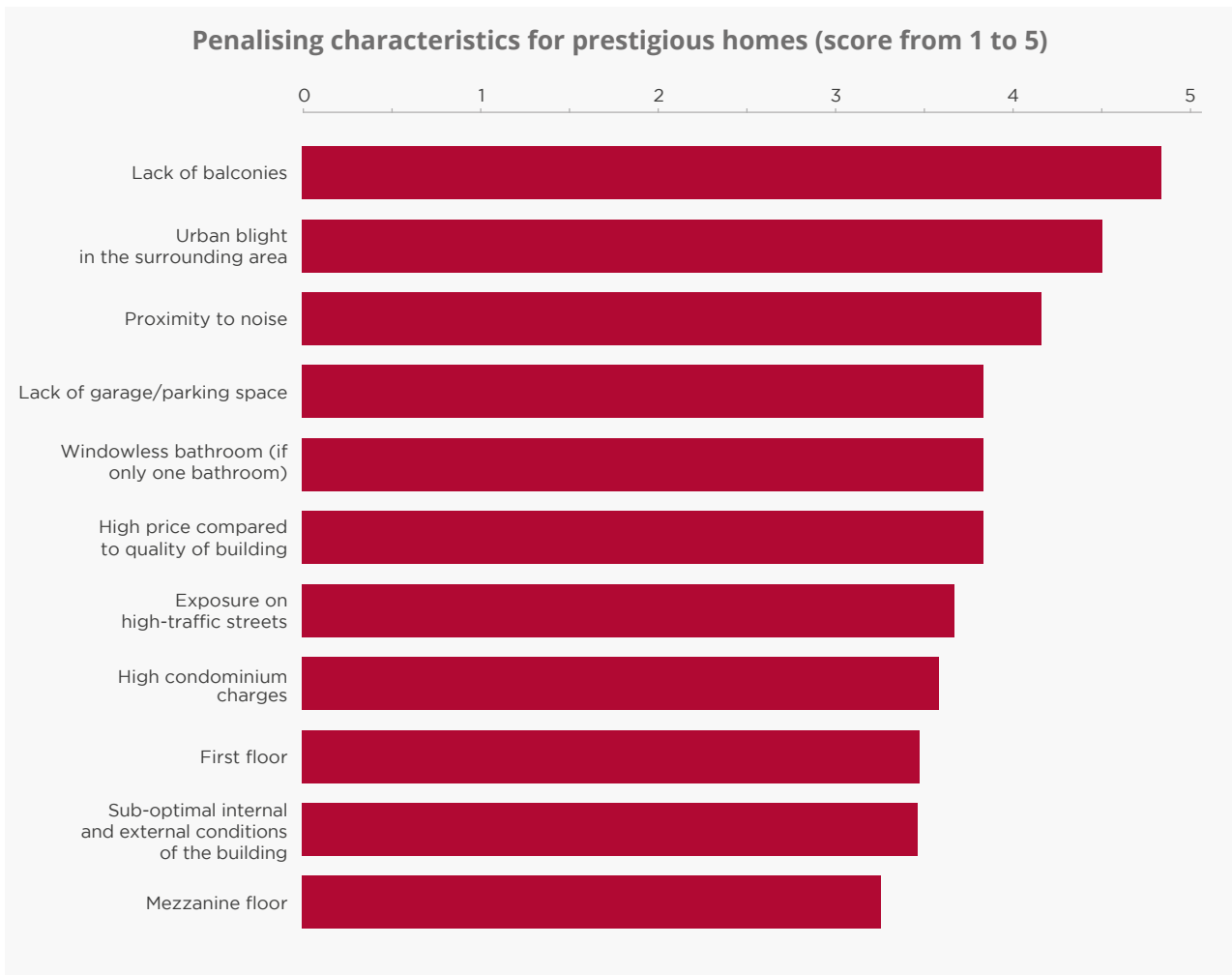
At the same time, **lack of balconies** is at the top of the list of penalising characteristics, confirming the position of the prior half-year but with a slight increase in relative weight.

The presence of a **garage** is still very important, although down slightly compared to the first half of 2020. It is very high in demand in Genoa and Naples, fairly important in Rome and Turin, and less in demand in Milan and Florence.

Demand for a **dedicated space for an office or study** has become increasingly common, give the new trend of working and/or studying from home. This could clearly continue over time, should the remote working model persist even after the pandemic.



Analysis of Santandrea Luxury Houses data



Analysis of Santandrea Luxury Houses data

OUR REPORT:



Residential Overview



Leaseholds



Prestigious Homes Market



Investment Overview



Office Market Overview



Office Quality Focus



Hotels



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