

Alert | Real Estate



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Building Rights of Milan Municipality at Public Auction

Read in Italian/Leggi in Italiano.

Opportunities for Private Acquisition

In Italy, building rights confer the right to build a certain number of cubic meters or square meters of gross floor area (sqm of gross floor area), starting and ending in the same municipality.

The transfer of municipal building rights may be in response to specific public interests if it enhances the cultural heritage, and may also represent a significant business opportunity for private interests (developers and others).

For the latter, in fact, it is possible to acquire – at a price fixed in the municipal tender (as raised in tender offers) and therefore no longer subject to market increases, a certain number of square meters of gross floor area to be used in specific municipal areas for any intended use compatible with town planning regulations.

Guidelines for the Sale of Milan Municipal Building Rights at Public Auction

On 28 October 2022, the Milan Municipality passed municipal resolution no. 1547, which created the following guidelines for the sale of municipal building rights by public auction:

- the building rights for sale are divided into 160 lots of 200 square meters of gross area;
- purchase offers, under penalty of exclusion, must not exceed 10 lots equal to a maximum gross area of 2,000 square meters;
- the building rights offered for sale may be used only in districts in the “E” Range, as identified in Executive Resolution no. 2768, dated 8 April 2022, which also includes the Urban Renewal Areas for which the Municipal Zoning Planning Regulation (Piano di Governo del Territorio - PGT) provides plans for redevelopment and rehabilitation (these districts include Bovisasca, Precotto, Lambrate, Ortica, Taliedo, Gallaratese, Restocco Maroni, etc.);
- the unit value per square meter of gross area of the building rights offered for sale is € 427.00. The total value of a single lot site is € 85,400.00;
- only economic bids higher than the above auction price for single lots are permitted;
- the purchaser must submit a suitable building permit within 18 months of the date of stipulation of the sale-purchase deed;
- if a suitable building permit has not been submitted during that 18-month period, the purchaser, in the next 18 months, may sell the building rights to third parties at a price equal to or lower than the final price of the reward, with the Milan Municipality having a pre-emption right.

Additionally, in certain cases, it may be possible to acquire building rights through direct transfer and/or settlement agreements, in order to optimize profitability of the municipal heritage.

The First Public Auction

On 5 December 2022, the Milan Municipality published on its website the first call for tenders for the sale of municipal building rights.

Permitted to participate in the call for tenders are natural persons over the age of 18 at the date of application submission and legal entities/persons that are not prohibited or suspended from contracting with the Public Administration.

To guarantee the obligations assumed by participating in the tender and the fulfilment in the event of award, each competitor must provide, before submitting the application and under penalty of exclusion, for each lot a provisional cautionary deposit of Euro 8,540.00 multiplied by the number of lots for which the offer is made.

The request for participation and related documentation must be submitted securely by 3 February 2023 at 12.00.

The public auction of building rights will take place on 6 February 2023 from 10.00 at the municipal headquarters: Milan Via Sile 8.

The actual sale following the award will be concluded in Milan, by the notary appointed by the purchaser of each lot, within 180 days of the final award act.

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