REAL ESTATE

House Hunting in ... Milan
International Real Estate
By LISA PREVOST  NOV. 30, 2016

A FOUR-BEDROOM LOFT NEAR CORSO SEMPIONE

$2.44 MILLION (2.3 MILLION EUROS)

This 3,600-square-foot, three-level loft was built in 2008 within a former industrial building. It is a stand-alone unit, not part of an association, according to Roberto Magaglio, the listing agent with Engel & Völkers and the agency’s licensed partner for Milan. The loft is about a 10-minute drive from the old city center, not far from the tree-lined Corso Sempione thoroughfare and the Parco Sempione. The Milan airport is about a 30-minute drive.

The main entrance leads to the open living area, with wall-height windows, marble floors and vaulted, 20-foot ceilings. The gas fireplace, in a shelflike wall recess, is remote-controlled. A glass wall separates the kitchen from the living area. The kitchen has stainless-steel appliances and thick wood counter tops. Amenities include a professional-quality gas stove and a wine cooler, along with a high-end prosciutto slicer.

Two bedrooms, each with an en-suite bath, are also on the main floor, along with a powder room. A stone staircase leads to the basement, which has a
heated counter-current pool, a sauna, an exercise room and a full bath.

The same staircase leads from the main living area up to a balcony that overlooks it and provides access to the master suite and a fourth bedroom. The master bedroom has a spacious walk-in closet; the master bath, with resin floors, has a custom bathtub with a whirlpool. The fourth bedroom also has an en-suite bath.

The entire loft is heated and cooled through a geothermal system. The only fuel cost is for electricity to pump the water throughout the system, Mr. Magaglio said. The hot-water heater is solar powered. There are also programmable alarm and lighting systems.

The loft comes with one on-street parking space. The furnishings are negotiable, Mr. Magaglio said.

Milan, with a population of about 1.3 million people, is a global center for fashion and design, as well as home to Italy’s stock exchange. This property is on Via Monviso in a residential neighborhood with shops and restaurants, and a few steps from a subway stop. The neighborhood has benefited from its proximity to the CityLife development, Mr. Magaglio said. The 90-acre mixed-use project, still under construction, so far has 530 apartments in two complexes designed by Zaha Hadid and Daniel Libeskind, according to a spokesman for the developer.

The property is also close to the fashionable Via Piero della Francesca, which has many restaurants and bars, including Iyo, a Japanese restaurant with a Michelin star; Il Gattopardo, a disco in a former church; and 55 Milano, a happy-hour hot spot.

The nearby Corso Sempione begins at the Piazza Sempione with its neo-Classical Arco della Pace, or Arch of Peace, a gateway to Parco Sempione that dates to the Napoleonic era. The dense concentration of restaurants and bars in this area draws a crowd for its night life.

**MARKET OVERVIEW**

Milan’s housing market is undergoing a slow recovery in the aftermath of
Italy’s prolonged recession and amid continued concerns about the stability of its debt-burdened banking system. The housing market bottomed out in 2012-13, according to a recent report on the luxury market from Tirelli & Partners, a real estate company. While demand had shifted markedly to rentals, the report said, sales have been climbing since 2014.

“Over the last five years, prices were too high and confidence in the market was low,” said Gabriele Torchiani, the commercial director and a partner at Tirelli. “Now things are changing.”

According to Mr. Magaglio, at its height in 2008, sales volume in Milan was about 18,000 transactions; by 2013, it had plummeted to around 10,000. He expects this year’s tally to come in at about 12,000. Prices are about 25 percent below their peak, he said.

Properties commanding the highest prices are in the old downtown center, including the prestigious Quadrilatero della Moda and Brera districts. The average for apartments there is roughly $800 to $900 per square foot, but those in the best condition can command more than twice that, according to Mr. Torchiani.

Over all, the Milan market is oversupplied with apartments, many still overpriced, Mr. Torchiani said, but demand is increasing from both local buyers and foreigners. He noted that the city’s profile was helped by last year’s Expo Milano, the international fair, which drew thousands of visitors from abroad.

Mr. Torchiani expressed optimism that the market will continue to improve, as consumer confidence has increased and credit is loosening. “The banks completely blocked financing after the crisis,” he said, “but now they are trying to offer some good conditions to buyers.” Still, he added, demand is a bit “unstable” and is highly dependent “on the mood of people in Italy.”

**WHO BUYS IN MILAN**

Milan is dominated by local buyers, with foreign buyers making up a small percentage, said Simone Rossi, the managing director at Gate-Away, a website that promotes Italian property to overseas buyers. Foreign buyers making
inquiries through the site are more often interested in living close to but outside Milan in the Lake Como area, he said.

Among foreign buyers within Milan, Europeans make up the largest share, particularly the French, Germans and Swiss, Mr. Magaglio said. Some Russians who like to attend fashion and design events have purchased pieds-à-terre to use on their visits. And more Chinese have started to buy in the last couple of years, he said.

BUYING BASICS

There are no restrictions on foreign buyers. Lawyers are not usually involved in purchases, which are instead handled by notaries, Mr. Magaglio said. A deposit of 5 percent to 20 percent is due when an offer is accepted. Most purchases close within three to four months. The agent’s commission is 4 percent to 6 percent in Milan, and is split between buyer and seller, he said.

The transfer tax on properties is very complicated, as many factors are involved. In general, the transfer tax on a sale between private individuals involving a primary residence is 2 percent of the assessed value (the assessed value being typically about a third of the sales price), Mr. Magaglio said. The tax on second homes and luxury homes, as defined by law, is 9 percent. This property has not been categorized as a luxury home, he said.

LANGUAGES AND CURRENCY

Italian; euro (1 euro = $1.06)

TAXES AND FEES

The current owners do not pay property tax because of a recent change in the law that exempts resident owners of a first home, Mr. Magaglio said. The change was one of several tax measures aimed at boosting the sluggish housing market.