

PRESS RELEASE

Luxury Residences Report – I semester 2019

Milan, real estate in ferment. Quality offers fail to meet the growing demand for luxury homes

Milan, 24 October 2019

Tirelli & Partners published its **Luxury Residences Report** with data for the first half of 2019. The report, now in its sixteenth year, analyses the highest segment of the real estate market for the city of Milan.

Milan, a city in ferment

Milan is experiencing a **boom in its appeal** on a European and global scale. It attracts businesses, beats records in tourist flows, hosts international events, invests in the development of infrastructure and urban and suburban transports, remains the undisputed world capital of fashion and design, and is increasing its resident population. In terms of urban planning, it has proven that it can enact policies of development and regeneration of the urban fabric, which have only begun to improve the face and livability of the city. The city still has **a lot of potential** to develop in relation to the **new projects** that are currently being conceived and carried out (in particular, the M4 metro line and the reconversion of the former railway stations) that yield concrete outlooks for a further growth in investments and their value enhancements.

The real estate market for luxury housing

In this generally positive situation of **bright prospects** for at least the next five years, the residential market as a whole and in particular the market of luxury homes are in ferment, held back only by the chronic **lack of an appropriate supply in terms of quality**.

All the key market indicators are improving:

The **average absorption** index rises to 20.5%, with growth in all areas although with different trends: Quadrilatero (Fashion District) (16.9%), Centro Storico (City center) (22.1%), **Brera-Garibaldi** (37.4%), Magenta (26.3%), Venezia-Duse (15.1%), Residual zone (23.5%).

The **average discounts** obtained by negotiating on the asking price are

further reduced, falling below the threshold of 7%.

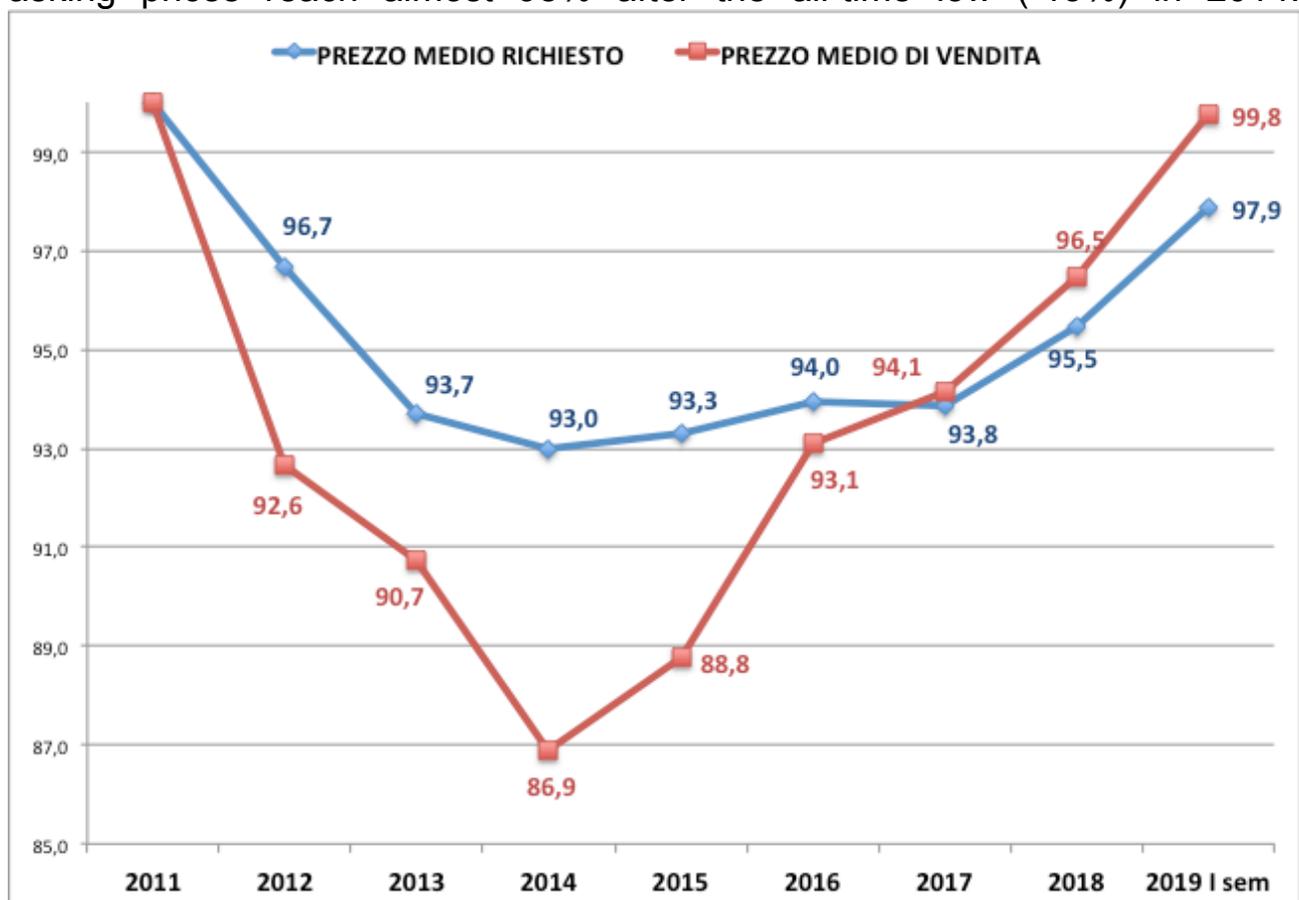
A positive trend also for the **average selling time**, now under 9 months (32.6 in the second half of 2015). The most appreciated houses are sold very quickly, sometimes even off-market, but the average is still affected significantly by properties that find a buyer only several years after being launched on the market.

Milan, real estate prices on the rise

The **asking prices** confirm the upward trend: growth is 1.8% in average value, up to +2.5% in the segment of the most exclusive and expensive homes.

The conjunction of the increase in asking prices and the decrease in discounts has generated an increase of 3.4% in **average actual sales prices** compared to the 2018 average. Average discounts have been more than halved with respect to the market's darkest moment, recorded in 2014.

As a result, average sales prices have **returned to the level of 2011**, while asking prices reach almost 98% after the all-time low (-13%) in 2014.



AVERAGE REQUESTED PRICE

AVERAGE SELLING PRICE

The areas most in demand among foreign investors are the Quadrilatero, Brera and Magenta. Foreign demand is looking for state apartments with a surface equal to or greater than 300 square meters located on the upper floors of state buildings.

Top properties: prices and areas

The most important sale, with an overall value of **9.3 million euro**, was registered in the **Brera area**, for a residence with unique characteristics, with large terraces and an extraordinary view of the city.

The most expensive building, with an asking price of **20 million euro**, is located in the Quadrilatero. This same area also featured the highest asking price per square meter: **27,931 euro**.

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Tirelli & Partners

Founded in 1987 as an atelier for buyers and sellers of luxury real estate, Tirelli & Partners is recognized as one of the leading real estate companies in this segment in Italy and as an innovator in real estate consulting.

In addition to the Luxury Residences Report, which has been published twice a year since 2003, it provides customized reports and market analyses focusing on national and international issues.

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