

ITALY NEW BUILD SURVEY 2024



New homes: what are the buyers looking for in 2024?

The New Built Market

In the past few years, the Italian housing market changed profoundly. Following a restructuring of lifestyles and habits driven by both economic and cultural reasons, what makes a property a home has shifted to fit into this societal change brought forward by the advent of hybrid working solutions, a pronounced focus on work-life balance, and an increased desire to enjoy life, including the domestic side of it.

Buyers are nowadays more mindful of and drawn to the life that a property can foster and support, hence considering greenery, services and public transport connections in an area as a strong indicator of desirability. This is especially true for big cities such as Rome and Milan, that draw most of the demand for both private homes and investments, but it's also true for second homes in more touristic locations.

With this framework in mind, in February 2024, we launched our New Build Survey, collecting responses from clients who contacted us with an interest in newly built properties*.

The survey sample identikit

A little over half of the sample interviewed is 45 years old or younger, Italian, and an employee. This picture changes with the 6% that is international: they're mainly from other European countries, older on average (half of them is in the 45-60 years old bracket) and mostly employees or entrepreneurs; only 17% of them is either retired or self-employed.

Budget and financing

Another important aspect we wanted to investigate was budget and usage of financial leverage: since the economic backdrop has become increasingly challenging throughout the past year, with prices rising and financing costs being less palatable, we wanted to understand what prospective buyers are oriented towards. Most of them (36%) intend to finance 25% or less of the total amount, although 37% of respondents intends to use financing tools to cover half or more of their home

investment, a share that unsurprisingly plummets to 9% for over 60 years old buyers, while it is 69% for under 35 years old buyers. Buyers with a higher budget are usually above the 45 years old threshold (61%), with the budget bracket of over a million euros entirely composed of respondents who are aged 46 or older. Predictably, the wealthiest budget holders are also the ones that intend to finance less: 100% of those with a budget over 1m € is going to finance less than 25%, while a variable share between 61% and 67% of the remaining budget brackets is going to finance less than 50% of their purchase.

Different strokes for different folks

Most respondents (82%) wish to buy in a city market, preferring the metropolitan lifestyle, with a focus on the cities of Milan, Rome and Florence. People choose cities to enjoy the rich and multifaceted lifestyle, to work in innovative companies and to study in the best Universities.

Second home locations are also sparking interest, with 9% of preferences towards seaside locations, and a 3% each on lakes, mountain and countryside locations.

Drivers and goals

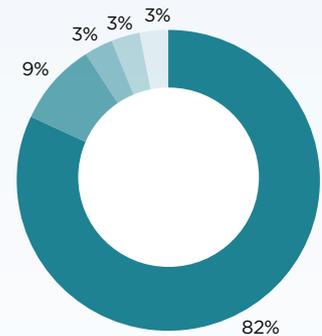
Different drivers make up the desire for a new home: overall, 74% of the sample is looking for a property that must have some outdoor space, with 86% of these looking for a flat rather than a villa. This trend towards outdoor space to expand and support domestic life has become increasingly more relevant after the pandemics, and we don't see a turnaround happening anytime soon.

Most respondents (43%) look for more comfort and to upgrade in size, while conversely only 10% are looking to downsize from their current situation. A sizeable amount is a first-time buyer (32%), although the market for second houses holds an 11% share, with the remaining 4% looking into buying as an investment (to let).

Key findings

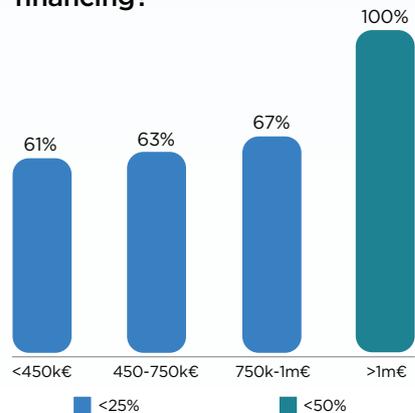
- 36% intends to finance <25%
- Green conscious purchases are growing in popularity
- Location is becoming a liquid concept, tied to the quality of the building

Where would you like to buy?



City Seaside Country Lakes Mountains

What is your budget and how much of it will be covered by financing?



*The survey was conducted on a sample of 200 prospective new home buyers that contacted Savills over the month of February 2024

Home is a place that...

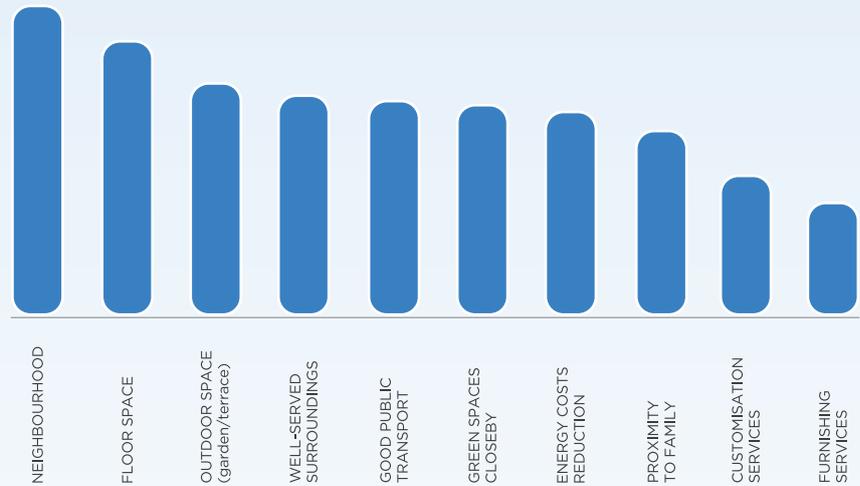
There's a lot of requirements that come into play when looking for the perfect place, but which ones hit closer to home? The golden ticket is won by the choice of neighbourhood, intended as an ideal place rather than a specific neighbourhood, followed by the unwillingness to compromise on the desired surface, while outdoor space availability closes the podium.

In the last few years, the community and the area in which one chooses to live have gained extreme importance but have also somehow become more flexible: for the right, quality product, placed in a well-served (4th preference) and well-connected (5th) neighbourhood, prospective buyers are willing to move to other areas.

The interest in environmental factors is on the rise as well, with the 6th place taken by green spaces features in the surrounding areas, whereas the 7th sees a concern in reducing energy related costs through technology, all signs that point towards the surfacing of a strong green conscience in buyers, for which new build is the go-to and best suited response.

It is easy to understand how perspective buyers are now less willing to compromise on the quality of their homes and surroundings, seeking out locations that are greener, very well connected by public transport, and with services at hand, and more than happy to move towards different areas than they are used to for a property that has these characteristics. Furthermore, if the property also allows for a greener lifestyle, then the die is cast.

Prospective buyers' preferences ranking



Amenities make the difference

Sometimes amenities are not just the cherry on top of a perfect choice, but rather a deciding factor into why a property is chosen. This is especially the case with newly built residential units, where buyers flock to access exclusive benefits from their investment.

Number one is 24/7 security surveillance in the building, on 15% of prospective buyers' wish lists, followed by reception and concierge services (14%). Closing the podium, we have fitness areas, with more than 12% of preferences.

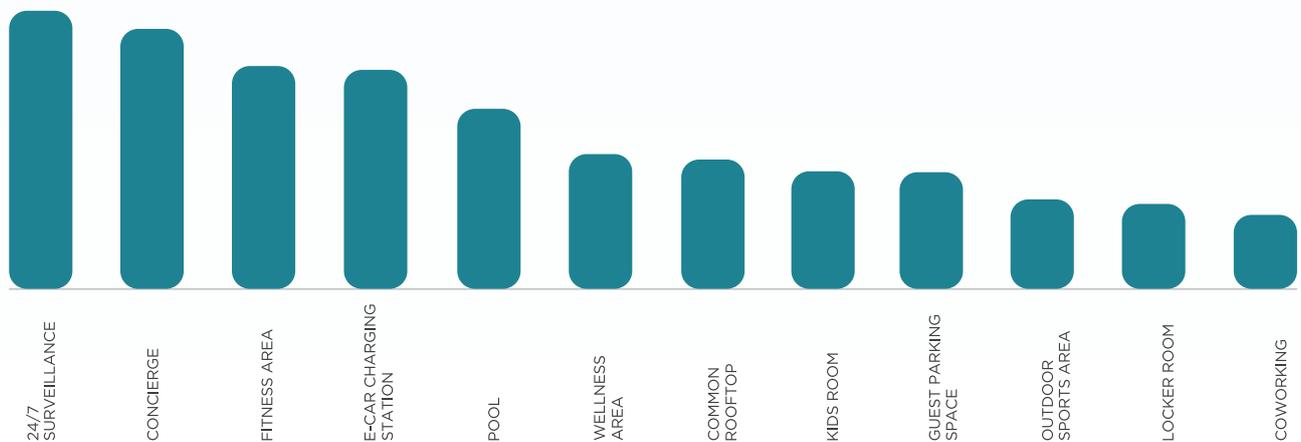
Very close behind we find e-car charging stations (12%), reaffirming how green

premiums are very desired and sought after, while having a shared pool entices 9% of the respondents.

Wellness areas and common rooftops both stand at 7%, followed by kids' rooms and guest parking spaces, both tied at 6%, once again revealing the renewed desire for self-care, family time and community.

After that, we find outdoor sports areas at 5%, while right under the 5% benchmark we have locker rooms for easier deliveries and coworking or business rooms, with a 4% share each.

Amenities: which one is a must-have?



Buyer profiles

THE INTERNATIONAL

- Aged 46-60 or under 35
- Employee or Entrepreneur
- Is looking to upsize, get a second home or buying for the first time
- Milan, Rome or Florence
- 2-bedroom flat with outdoor space, 100-150 sqm
- Budget up to 750k €, finances less than 25%
- Looking for properties located in neighbourhoods offering the most services
- The profile most interested in bike related amenities

THE INVESTOR

- Aged 36-60
- Employee or Entrepreneur
- Wants a second property to rent in a city
- Rome or Milan
- Studio / 1-bedroom flat, 50-70 sqm
- Budget up to 450k €, finances less than 50%
- Investors place utmost importance on features that reduce energy related costs

THE HNWI Individual

- Aged 46-60
- Entrepreneur or freelancer
- Wants to upsize from current property
- Milan, Rome or Florence
- 3-bedroom flat or penthouse, both with outdoor space, over 100 sqm
- Budget over 1M €
- HNWI are mostly focused on pleasant surroundings and airy spaces
- The most demanding profile in terms of amenities

THE MANAGER

- Aged 46-60
- Manager
- Is upsizing for a flat with outdoor space
- 2/3 bedroom flat or penthouse, 100 sqm or more
- Budget above 600k €, finances half or less
- The profile most interested in a shared pool

THE FIRST TIME BUYER

- Aged under 35
- Employee or freelancer
- Looking to buy their first property
- 1/2-bedroom flat with outdoor space, 50-100 sqm
- Budget up to 450k €
- Mainly interested in having private outdoor spaces

THE SPRING BREAKER

- Aged over 60, mostly Italian
- Employee, entrepreneur, retired
- Wants a second property to unwind and recharge outside of the city
- Outer Rome, Florence, Palermo
- 2-bedroom flat, around 70 sqm
- Budget between 350-550k €
- Focused on pleasant surroundings allowing for a slower lifestyle

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