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ASSOIMMOBILIARE

Summary of the Address by President

DAVIDE ALBERTINI PETRONI

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Distinguished Guests, Colleagues, and Confindustria Assoimmobiliare Members,

after years of turbulence, Italy's economic and political framework shows encouraging signs of stability: record employment levels, improving public finances, declining spreads, and a robust banking system underpin a renewed confidence among investors. This, however, represents a foundation for progress rather than an endpoint. Structural challenges still remain: weak growth, stagnant productivity, and the persistent difficulty of channeling Italy's vast private savings into long-term investments capable of driving sustainable development.

With the National Recovery and Resilience Plan (PNRR) reaching its conclusion, the period of debt-fueled expansion gives way to one that must rely on solid, structural growth. Within this framework, the Real Estate industry stands as a key strategic lever — not merely an economic sector, but a catalyst for urban development, innovation, and collective well-being.

The Italian property market has evolved profoundly. Once centered on Offices and Retail, it now encompasses emerging asset classes such as Logistics, Hospitality, Living, Student Housing, Data Centers, and Life Sciences. Nearly half of all Commercial Real Estate investments in recent years have targeted these new segments. This diversification mirrors the deep socio-demographic transformations of our time — from tourism growth and international mobility to the rise of digital economies and artificial intelligence, and from demographic aging to increasing urban migration among workers and students.

Alongside established hubs like Rome and Milan, new local contexts are gaining prominence: university cities, logistics areas, and tourist destinations offer opportunities for development and regeneration that strengthen territorial competitiveness. This evolution broadens not only the volume but also the quality of investment opportunities, attracting a wider range of domestic and international investors.

[1] Prepared by ChatGPT.

Despite this progress, Italy's Real Estate potential remains underexploited. The national Commercial Real Estate stock is estimated at around €780 billion, yet only 17% is held by institutional investors — compared with over 40% in France and Germany, and more than 50% in the United Kingdom. Investments in Italian commercial property have stabilized at approximately €10 billion annually, placing the country at the bottom of the EU ranking when measured as a share of GDP.

At the same time, Italy's households retain an extraordinary reservoir of savings — about €11 trillion in total, 55% of which is already tied to property. Around €1.6 trillion, however, sits idle in current accounts, eroded by inflation. The challenge is to create safe, transparent, and efficient instruments to channel this capital into productive, long-term investment — thereby linking private wealth with national growth and social progress.

This priority aligns with the European Commission's new "Savings and Investment Union" strategy, which aims to redirect private capital toward the real economy. Across Europe, the listed Real Estate market plays a central role in this process — providing transparency, liquidity, and access to patient capital. In Italy, however, listed property vehicles remain marginal, representing less than 1% of total market capitalization, compared with an EU average above 2.6%.

A small and illiquid market cannot perform its function effectively, limiting Italy's attractiveness to global investors and discouraging domestic institutional investors, such as insurance companies and pension funds, from committing long-term capital. In the early 2000s, domestic investors accounted for 70% of total real estate capital, and the market capitalization of listed property companies reached €9 billion. Today, a revival of the listed sector — through stronger Società di Investimento Immobiliare Quotate (SIIQs) and the entry of international REITs under equivalent fiscal regimes — is essential to rebuilding that base.

Beyond listed instruments, Italy's financial infrastructure includes securitization vehicles and Real Estate Funds, both crucial in connecting finance and the real economy. Approximately 70 real estate securitization vehicles are active, managing around €4 billion — up 50% year-on-year. These flexible instruments can support both small projects and large-scale urban regeneration, provided that legislative and fiscal frameworks become more consistent and coherent.

Real Estate Funds remain the cornerstone of Italy's investment industry. Introduced in the 1990s, they have guided the sector's evolution toward a modern, internationally integrated system. Currently, about 640 Funds manage over €140 billion in assets. SIIQs, Funds, SICAFs, and securitization vehicles together form a single ecosystem — yet excessive rigidity, inconsistent taxation, and limited interoperability hinder their full potential.

A coherent fiscal and legal framework is therefore essential and reforms are needed to broaden the investor base and strengthen market stability, such as:

- revising the "tax transparency" rule that currently discourages participation above 5% in Real Estate Funds by taxing unrealized income. Relaxing this constraint for diversified Funds, particularly those including institutional investors, could mobilize new private and family capital without affecting public finances;
- reinforcing the principle of asset segregation in investment Funds, ensuring legal certainty and investor protection. The recent legislative clarification by the Italian government was welcomed, and the association urges its full confirmation in Parliament;
- enhancing alternative credit channels, including Real Estate credit funds, to complement bank financing and strengthen the resilience of the financial system. Regulatory alignment with EU norms is crucial to ensure fair treatment for foreign and domestic players alike.

Among Italy's structural challenges, housing occupies a central role. In fact, the housing crisis has become a continental priority, as testified by the European Commission's intention to deploy a "EU Affordable Housing Plan". The Plan aims to expand the supply of quality homes, reduce construction costs, enhance workforce skills, and ensure environmental sustainability. A new EU platform, co-financed with the European Investment Bank, will mobilize both public and private capital.

In Italy, the government's "Piano Casa," announced by Prime Minister Giorgia Meloni, reflects the same urgency — seeking to increase affordable housing through dedicated funds, public-private partnerships, and coordination with local planning. According to Confindustria Assoimmobiliare estimates, the country will require around 635,000 new or renovated homes in the next five years, demanding €150 billion in investment.

However, the current regulatory and fiscal environment discourages institutional investment in rental housing, where supply remains scarce and outdated. Transforming the home from a passive asset into a productive one — an integral part of an industrial strategy for living — requires fiscal reform. Residential properties held for professional leasing should be recognized as productive assets, with full cost deductibility and consistent taxation.

The Real Estate sector must become a strategic lever for growth and social well-being. Achieving such transformation demands decisive policy action and cooperation between public and private sectors. In this regard, the proposal submitted by Confindustria Assoimmobiliare are:

- harmonizing the rules for securitization vehicles, ensuring competitive neutrality;
- aligning the fiscal regime for foreign listed vehicles with that of Italian SIIQs to boost liquidity and capital inflows;
- confirming the legal principle of asset segregation to strengthen investor confidence;
- reforming the tax transparency regime to attract new private and family investors;
- recognizing rental housing as a productive asset and reform VAT and registration taxes to make the sector more efficient and competitive.

Capital exists. It must be placed in the right conditions to become growth, cohesion, and quality of life. Let us make Real Estate a strategic engine for Italy.

Rome, 30th October 2025