

Buying Real Estate in Italy

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Italian Real Estate Market a Magnet for Foreign Buyers

Italy's residential market—especially the quality and luxury segment—has become a top destination for foreign buyers, what they're buying and where, and the tax and legal structures that are actually driving this shift.

Press analyses drawing on Engel & Völkers report that *almost a fifth* of 2024 purchases involve foreign buyers, with Americans clearly in front. Trend confirmed for the first semester of 2025: US 29.9% of requests, UK 9.8%, Germany 9.6%.

This aligns with what brokers are seeing on the ground. Many foreigners purchase property not only for investment purposes but also to relocate and reside there.



The “Milan effect” “Capital + lifestyle = Milan” helps the Italian growth of the market

Press coverage and market commentary point to Milan as the focal point for high-spending new residents—finance, fashion, schools, connectivity.

This is feeding the top end of the condo and penthouse market and influencing prices in prime districts.

Obviously, the “greatest hits” haven’t changed—Tuscany and Lake Como and Garda still headline—but data show a lot of interest in specific coastal micro-markets like, in the North, the Tigullio area, and also in the South.

In the last two years we experienced an increasing interest in Sicily (Taormina, Siracusa).

The Top regions by foreign interest are:

Tuscany (16.89%),

Sicily (10.16%),

Lombardy (8.86%),

Liguria (8.16%),

Puglia (8%).



Pricing reality check (OMI Real Estate Market Observatory)

The location and type of property you invest in are key factors in determining the price. Prices for high-end properties in Milan, located in central historic districts such as Quadrilatero, Brera, Corso Magenta, or more recently built areas such as Porta Nuova, have an average price of between €13,349 per square meter and €23,000 per square meter for top-of-the-range residences. In holiday locations, Porto Cervo in Sardinia ranks first for villas, followed by Portofino and Forte dei Marmi. In the last two years, some coastal locations have seen a sharp increase in prices, and Olympic investments are clearly visible in the data for Livigno.

Some examples:

Sardinia, Villa in Porto Cervo **€21k/m²**;

Liguria, Portofino **€19k/m²**; Portovenere **+16.7%**,

Tuscany, Forte dei Marmi **€15k/m²**;

Dolomites: Corvara **€13k/m²**; Selva Val Gardena **€12k/m²**;

Ortisei **€11.4k/m²**; Cortina **€10.7k/m²**

Garda Lake, Sirmione **€8.1k/m²**;

South Italy, Sorrento **+15%**, Capri **+11.9%**;

Lombardy Mountains, Livigno **+39%** on Olympic works.



What advisors should watch (legal, tax, process)

How to work together to provide the best client support

The role of the advisor in assisting clients who wish to invest in Italy involves legal and tax due diligence:

- a) verifying (for non-EU investors) whether there are any restrictions on investments based on the principle of reciprocity or bilateral agreements. Violation of the established limits will result in the nullity of the deeds;
- b) verifying that the properties comply with urban planning and building regulations (irregularities may prevent the sale or create post-sale liability for the seller and resale difficulties for the buyer);
- c) verifying whether what the client wants to do with the property can be achieved: properties located in historic areas or near protected landscapes may be subject to regulations that limit modifications, reconstructions or extensions;



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- d) verification of the provenance of the funds available for the purchase – KYC;
- e) for each case check it is better to purchase directly as a natural person or through a foreign company or Italian newco;



A particularly advantageous regime has been introduced for those who have significant assets and are willing to transfer their residence to Italy: **a flat tax for new residents**, very attractive to expats and international HNWI (High Net Worth Individuals) investors, particularly suitable for those with significant assets and income abroad, which provides for a substitute tax of €200,000 per annum on foreign income and €25,000 for family members.

An increase to €300,000 in 2026 is under discussion, but it is not yet law, so your advice should include scenario planning. Key elements: effective transfer of tax residence, foreign vs Italian source and options for family members.

That's why it's always a good idea to buy property in Italy after a complete due diligence.



THANK YOU FOR YOUR ATTENTION

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