



The **Agenzia del Demanio (Demanio Agency)**, the Italian Public Property Agency, will be participating at the MIPIM 2007 International Property Market on

Wednesday 14 March at 2.30 pm

with the event entitled:

Connecting Real Estate World
Advanced services to meet the market's challenges

participants

Giampiero Gramaglia, Editor in Chief Ansa
Carlo Petagna, Vice Director Agenzia del Demanio
Elisabetta Spitz, Managing Director Agenzia del Demanio

March 14th 2007
2.30 - 3.30 pm
Stand G3.36 - Level III
Palais des Festivals

At MIPIM 2007 the Agency will present the important redevelopment project regarding the ex military barracks, that are mostly located in the centres of the Italian cities.

The Agenzia del Demanio has created the new portal www.demaniore.com, in order to illustrate its projects and to represent a true “real estate showcase”, a reference for all the investors – both public and private – of the sector.



The Agenzia del Demanio (Demanio Agency), a public financial organisation, is responsible for managing the real estate assets of the Italian Government and for rationalising and enhancing their use, even through their economical management. It operates following maximisation principles of efficiency and operational effectiveness and considers the public real estate assets as strategic resources for the creation of social and economical value for both the Government and the population.



A G E N Z I A D E L D E M A N I O

Direzione Generale

PRESS RELEASE

AGENZIA DEL DEMANIO, THE ITALIAN PUBLIC PROPERTY AGENCY, AT MIPIM 2007

Cannes, 14 March 2007 – The Demanio Agency (Agenzia del Demanio), the Italian Public Property Agency, which is participating at MIPIM 2007, has today announced considerable progress in its management of the public real estate portfolio. Over the last six years, the portfolio has provided the State with revenues amounting to €6 billion. At the meeting entitled “**Connecting the real estate world - Advanced services to meet the market’s challenges**”, the Demanio Agency illustrated policies and tools it is currently using in its endeavour to reach the ambitious objective of generating an additional €4 billion in 2007 through the rationalisation and enhancement of the available asset portfolio. The tool that has been deployed for this operation is www.demaniore.com, the public property portal created by the Demanio Agency at the end of 2006.

Giampiero Gramaglia, Director of ANSA, the main Italian press agency and one of the largest in the world, highlighted the fact that ANSA supplies the www.demaniore.com portal with approximately 700 pieces of information-based content each month: news, features, reports, interviews, photographs and videos (in Italian and English) focusing on the real estate market at both national and international level. Mr. Gramaglia explained that “ANSA is proud to be making a contribution to this important, trail-blazing initiative in the provision of specialised information, thus demonstrating its capacity to meet the demands and expectations of a rigorous, exacting branch of the public administration.”

Carlo Petagna, Vice-director of the Demanio Agency, described the content and technical tools used by the www.demaniore.com portal. The magazine section and real estate showcase are the two principal keys with which to access the information within the portal, which is made available to real estate professionals and which spotlights the extensive range of property within the State’s portfolio. It is a true virtual showcase in which the most interesting investment opportunities, at national and international levels, will be highlighted.

Having underlined the fact that, since 2001, the Agency has been entrusted with the management and enhancement of the public property portfolio (in compliance with the policies set forth by the Ministry of Economy and Finance), the Agency’s **Director, Elisabetta Spitz**, went on to illustrate the substantial results that have been achieved in the last six years, both in terms of economic management and in terms of the repositioning of the Agency’s operations. In presenting an overview of the State’s real estate portfolio, Spitz described its geographical distribution across the country and its potential for development, and announced initiatives currently under development that will be geared towards rationalising the public property portfolio and making the properties a viable source of revenue.



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The Director then dedicated ample space to the project, set out by the 2007 Financial Law, that will see the Agency's involvement in managing a large number of assets, mainly ex- barracks, which will gradually be transferred from the Ministry of Defence to the Demanio Agency as available State-owned property. The Agency will then be entrusted with the enhancement and regeneration of these assets, in collaboration with relevant local authorities, in order to make them marketable. Many of these assets are located within city centres, and finding new uses will mean making an important contribution to local development and the built environment. "In certain cases," explained Spitz, "these regeneration projects will completely change the face of the cities where they are located".

The enhancement of these assets will also be made possible thanks to the new tool afforded by the Financial Law, which introduced so-called "concessions for enhancement purposes" (concessione di valorizzazione) that will allow concession to be granted on assets for up to 50 years. "Our aim is to ensure development over time," stated Spitz, "and this is why the contract contains guarantees on the quality and duration of the investment. Thanks to the concession for long-term enhancement purposes, we will at last be in a position to put non-performing assets on the market – i.e. assets that would need major, long-term investments in order to render them commercially attractive".

The Demanio Agency

1. The Agency

Initially set up in 1999, when the Ministry of Economy and Finance and the four Tax Agencies were created, since 2001 the Demanio Agency, Italian Public Property Agency, has been entrusted with the management and enhancement of the State's property portfolio.

The Agency carries out its mandate through a Service Contract with the Ministry of Economy and Finance. This document details the various aspects of asset management: objectives, resources, assessment and performance indicators.

In 2003, the Demanio Agency was transformed in an *Ente Pubblico Economico*, thus acquiring greater management autonomy and reinforcing the methods it uses in its endeavour to accomplish its mission as fully as possible.

With 20 regional branches across the country, the Demanio Agency has so far succeeded in reaching a number of major innovation and modernisation objectives.

2. Mission and main tools

The Demanio Agency manages approximately 16,000 assets throughout the national territory. These are subdivided into available assets, historical/artistic public assets, real estate assets for governmental uses and public real estate funds (FIP, *fondi immobiliari pubblici*).

The Agency rationalises and enhances the public property portfolio by deploying innovative solutions that combine revenue generation and local development. Partnership with local authorities is essential in this context, since the authorities are the main players involved in the identification of local requirements and the promotion of regeneration and development projects.

The Demanio Agency also manages assets seized from organised crime: since its inception, it has re-assigned the 75% of all assets seized from the organised crime to local authorities, thus contributing in a highly visible and symbolic way to community-based initiatives.

In 2006, the Demanio Agency created www.demaniore.com, a portal targeted at professionals, bodies and institutions that work within the real estate world. The portal acts as an asset showcase, functioning as a reference point at international level for new initiatives in the field of real estate.

3. Ongoing projects

Enhancement and regeneration of ex-military assets. The 2007 Finance Law sanctioned the transfer of a significant number of military buildings no longer required for military purposes into the State's property portfolio, entrusting the Demanio Agency with the enhancement and potential sell-off. The ex-military assets can now be transferred to local authorities thanks to the introduction of a new, 50-year scheme.



The www.demaniore.com portal

1. About us

With more than 7 million hits, 1.7 million page downloads, requests from more than 80 countries, 4,500 pages of content (news, economic/financial information, news from local authorities and from around the world and information on local areas, the environment and the real estate market), the www.demaniore.com portal is clearly making its mark on the web.

Online since September 2006, the portal is a place where real estate professionals can meet, exchange information and discuss their experiences. A partnership network aimed at providing information and services to all Italian and foreign agencies: local authorities, public administration, real estate companies, investors and other interested individuals.

The www.demaniore.com portal is also a “virtual showcase” for all the most interesting national and international real estate projects and offerings, with a view to stimulating investors’ interest and generating new initiatives.

2. Content

www.demaniore.com, which is also available in English, includes three main thematic sections, each aimed at a specific target audience. The **Current Topics** section contains information on the real estate world (local authorities, economy and finance, world news); the **Multimedia magazine** includes technical and cultural analyses of architectural, town-planning, construction and design issues, whereas the **Property showcase** endeavours to promote and give greater visibility to public, national and international real estate assets that are up for sale.

In this “virtual showcase”, a great deal of space is dedicated to local authorities, which can, in this way, make the world aware of their real estate assets and especially those assets earmarked for enhancement, restoration, urban regeneration, territorial planning and governance. The portal will shortly feature enhancement and regeneration projects of ex-military buildings and barracks that have been transferred to the State’s portfolio (managed by the Public Property Agency), for which local authority input is sure to prove decisive. The assets, mainly located in city centres, have a total value of approximately 4 billion euros.

www.demaniore.com does not deal just with Italy. The portal publishes news from more than 80 countries and more than 100 foreign cities, which has generated contacts from numerous countries, including: France, Germany, United Kingdom, Switzerland, Saudi Arabia, Australia, China and Japan. Foreign real estate dealers can also access a summary of the Italian industry regulations, thus facilitating their dealings with potential investors.

3. Other contributors

The www.demaniore.com portal, created by the Demanio Agency, Italian Public Property Agency, can also leverage the editorial input provided by two major names in the Italian media: *ANSA* and *Il Sole-24 Ore*, which deliver a constant, real-time flow of news items on the world of real estate.



Enhancement and regeneration of ex-military buildings

1. The objectives of the project

The 2007 Finance Law sanctioned the transfer of a significant number of military buildings, no longer required for military purposes, into the State's property portfolio, entrusting the Demanio Agency, Italian Public Property Agency, with their management.

The properties in question (barracks, plots of land, arsenals and firing ranges), now part of the State's portfolio of available properties, provide interesting development opportunities. In collaboration with the relevant Municipal Councils, the Demanio Agency will launch enhancement and regeneration projects that will make it possible to convert the assets to other uses, in accordance with the development and innovation requirements of the surrounding urban areas. The Agency will also deal with the selling off of properties when possible.

The ex-military buildings may also be included in Unitary Enhancement and Regeneration Programmes (PUV - *Programmi Unitari di Valutazione*) that are geared towards the enhancement of publicly owned assets located in the same area.

2. Concession for enhancement and regeneration purposes

The 2007 Finance Law introduced the so-called "concessione di valorizzazione", or concession for enhancement and regeneration purposes, whereby concessions can be granted on assets for a maximum of 50 years. The new instrument is mainly targeted at mid- or long-term investors capable of providing an adequate guarantee on the quality of the enhancement project and its duration. The State will leverage this tool to make the best possible use of its property portfolio by entrusting the management of assets to investors who are clearly interested in making the most of those assets over the long term.

3. The sell-offs: estimated values and timescales

The 2007 Finance Law estimates the total value of the assets to be sold off at around €4 billion over two years. The assets will be transferred from the Ministry of Defence to the Demanio Agency in four sections, scheduled for February and July 2007 and February and July 2008. The first list is included in the decree signed on 28 February 2007: 201 properties with a total value of €1 billion, which will be transferred to the Demanio Agency by 30 June 2007.

The assets, often located in the centre of main Italian towns and cities, will be included in enhancement and regeneration projects and, in many cases, have the potential to change the face of those cities in which they are situated. The assets will thus become accessible to citizens and may be used as part of local planning and development projects.

4. Agencies involved

The Ministry of Defence will identify those assets to be transferred to the State's property portfolio and will deliver them within the agreed deadline.

The Demanio Agency, in collaboration with local authorities, will deal with the planning of property enhancement and regeneration actions. Project implementation roles and activities will be defined through agreements and memorandums of understanding.



Management of assets seized from organised crime

1. The Demanio Agency and the management of seized assets

The Demanio Agency is the body entrusted with the management of assets seized from organised crime syndicates. Since 2001, Agency has transferred 75% of all assets seized from the organised crime to local authorities, for social purposes.

In total, up until the end of 2006, 7328 properties and businesses were confiscated from organised crime syndicates, of which 3493 have been re-assigned to local authorities. 57% of the properties seized are located in Sicily, with Palermo alone having 1200 properties to be re-assigned. During the course of 2007, 600 assets will be transferred via agreements with local bodies (Naples, Palermo, Agrigento, Trapani, Catania and Milan).

The strengthening of the management infrastructure in relation to these assets was shown clearly in 2005 and 2006, when the census of 100% of assets was concluded and in-depth information was compiled on them, including detailed descriptions of their extent and information on their legal status.

2. Targeted innovations implemented

During the course of 2006, the Demanio Agency introduced an important change in its seized assets' management procedure in order to overcome critical issues relating to the onerous investigation and protection procedures that are part of the process of delivering ownership of these assets to local authorities.

Rather than single-asset assignments (one asset per decree), the Agency has elected to use "asset package" assignments, as part of so-called "Territorial Projects". These are drawn up by local authorities and are aimed at the re-use of seized assets for social purposes.

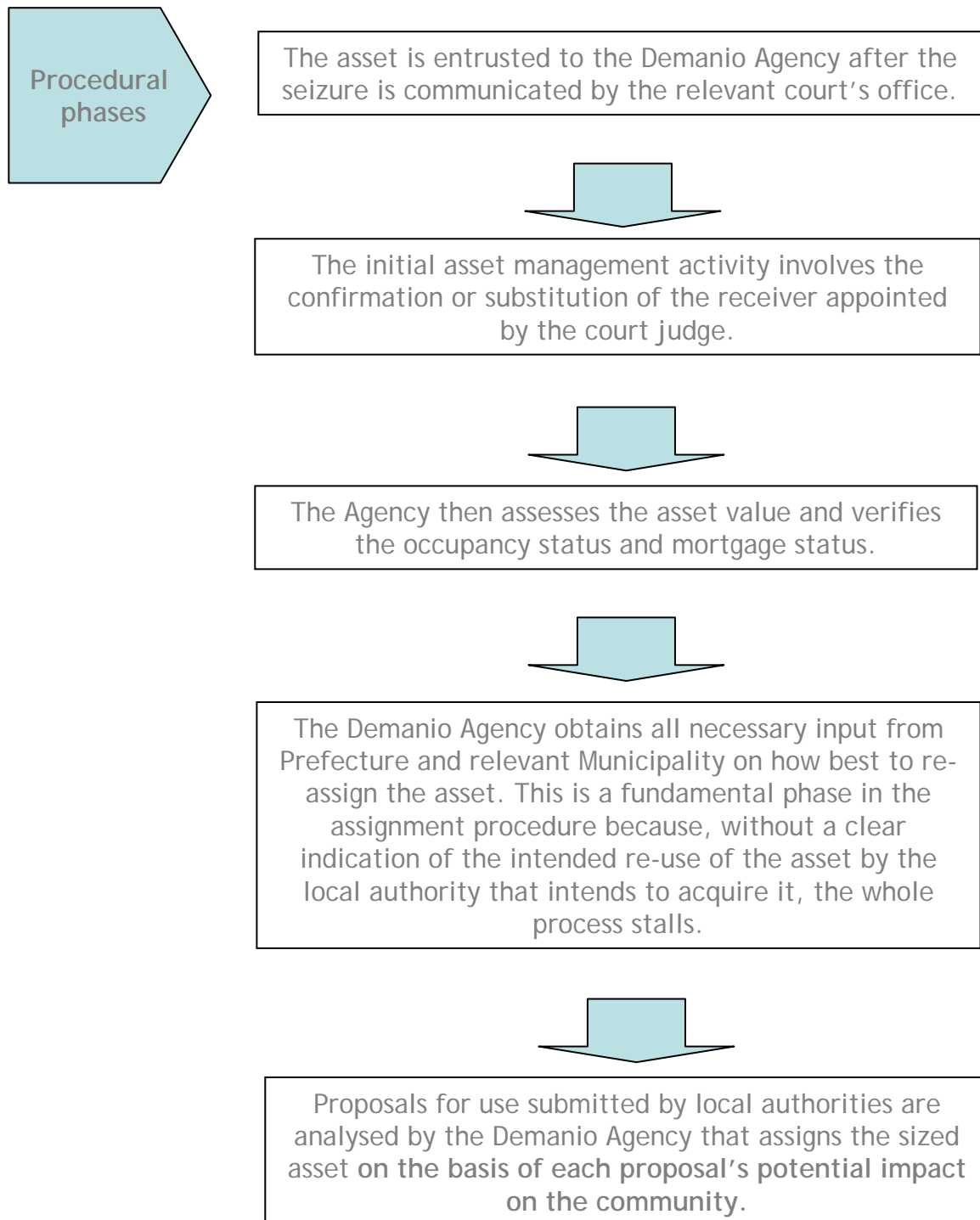
Assets are assigned by means of memorandums of understanding between the Demanio Agency, Prefectures and local authorities. These agreements define the respective activities for which each body will be responsible during the assignment procedure. This new approach, then, makes it possible to accelerate the assignment and delivery of seized assets, in order that they become available for re-utilisation by local communities much more rapidly than has been the case in the past.

3. The new assignees of seized assets

The 2007 Finance Law has widened the range of possible assignees for seized assets: in addition to Municipalities, assets seized from organised crime syndicates may also be acquired and managed by Provinces, Regions, State Universities, Tax Agencies, Central Authorities and major Italian cultural institutions.



Seized asset assignment procedure



The “Networked Assets System” project

1. The objectives of the project

Through infrastructural networks both natural and man-made, the project links assets that are scattered throughout the area. “Networked Assets System” (Sistema beni a rete) follows the success of “Tourism/environment networks” (Reti turistico-ambientali), which in turn developed out of “Coastal Lighthouses” (Fari costieri), a project on which the Demanio Agency, Italian Public Property Agency, has been working for some time.

The project is a real estate enhancement initiative that encompasses heritage sites located all over the country: lighthouses, watchtowers, pumping-station managers’ houses, ex air raid shelters and bunkers that have been sold off, or are in the process of being sold off. The networks span a range of different fields, including coastal-maritime, hills, mountains, rivers and countryside.

The suitability of these assets for tourism affords an array of possibilities in terms of future uses, including exhibition spaces, accommodation, stop-off points along country routes, sports venues and wellbeing centres. All these initiatives will be carried out in collaboration with landscape conservancy bodies, with a view to developing environmental tourism, which is very much a hot topic in terms of the tourist market.

2. Actions implemented

The Demanio Agency has already launched the first Tourism-environment network experimental projects, such as the network system on the Island of Elba, lighthouses along the coast and on the islands north of Sicily (environmental and leisure network) and the former pumping stations on the Reno, Adige, Arno and Lamone rivers (historical, environmental and tourism network).

These asset “packages” may be entrusted to interested local authorities through the new 50-year concession scheme, introduced as part of the 2007 Finance Law. The scheme sets out preferential-rate fees and allows for the distribution of investments made on assets over a longer time period.

The economic/financial assessment carried out for each package to be enhanced has provided an opportunity to estimate the costs (on the basis of concession fees proposed by the 2007 Finance Law) and revenues (on the basis of data supplied by the Real Estate Market Observatory of the Italian Territorial Agency).

3. Players involved

A key aspect of the project will be the partnership between the **Demanio Agency** and **local authorities**, which will identify possible uses for every single asset, in compliance with local town-planning regulations.

The institutional setup of the initiative is noteworthy: with a view towards the enhancement and conservation of Italy’s heritage, the projects will see the involvement of the Ministry for Cultural Assets and Activities and the Ministry of the Environment, as well as qualified Italian and foreign institutions, such as FAI, Euromed Heritage, WWF, Legambiente, etc.

