



Fondazione Bruno Visentini

The potential of historical-private real estate

VAT extra-revenue evaluation for the 2015-2016 period, with the introduction of governmental incentives

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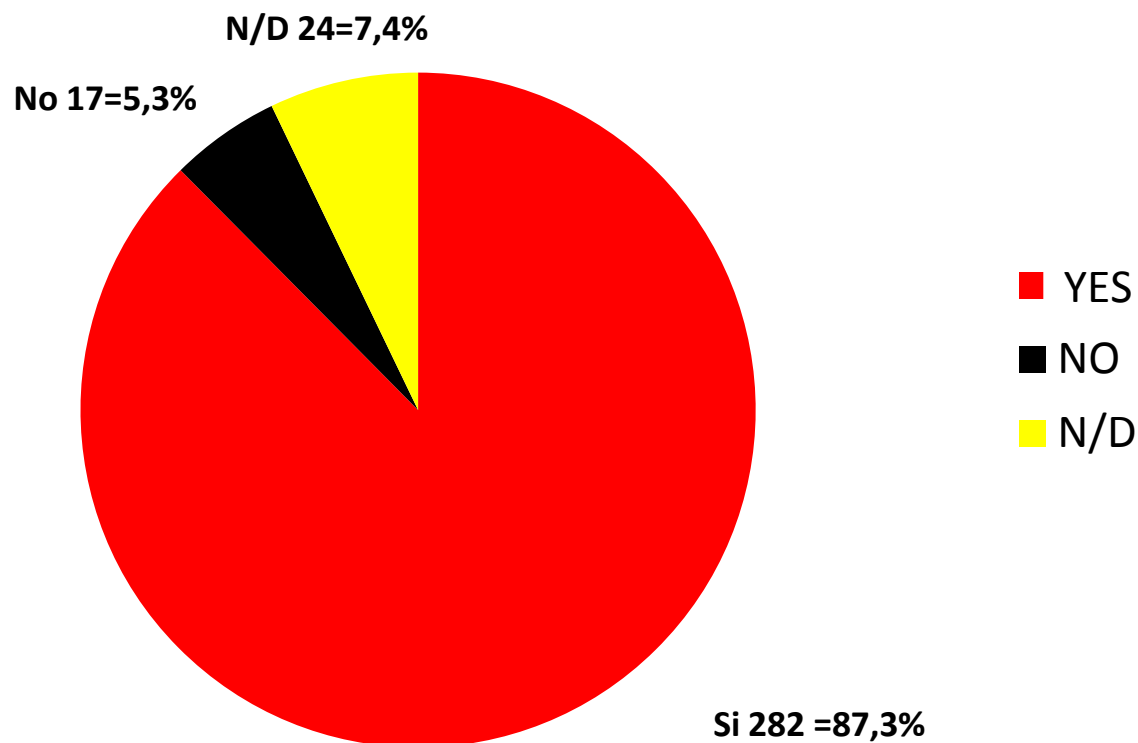
ASSOCIAZIONE DIMORE STORICHE Annual Assembly, Tuscany Section, Accademia degli Intronati, Siena, 24 October 2015

Main results in a nutshell

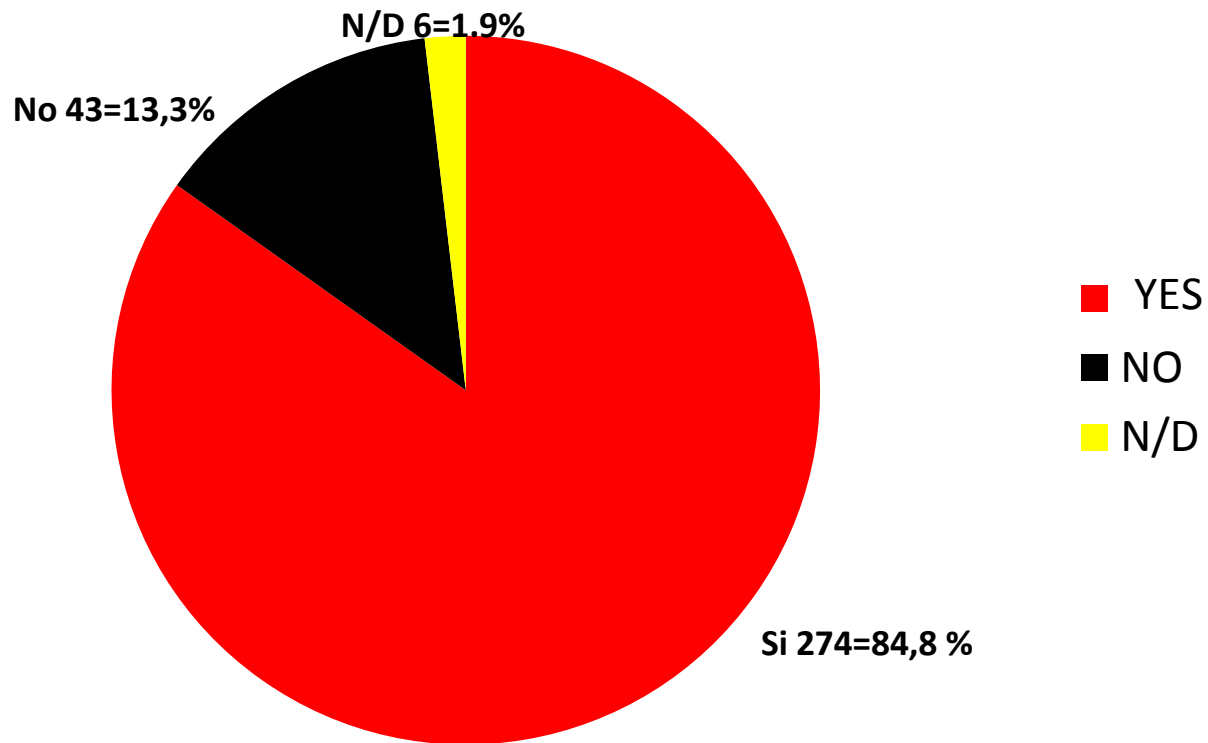
items	values
Number of private units as real estate under restriction by Superintendency of Cultural Artistic Heritage	31.495
Owners regular maintenance expenses supported in the period 2005—2014 (in Millions Euros)	33.100
Investments that owners will carry out if they receive incentives (in Millions Euros)	13.600
Estimated spin-off based on cultural asset multiplier (in Millions euros)	14.700
Additional VAT revenue for facilitated incentives (in millions euros calculated on the difference between completed investments and investments completed only if incentivized)	1.000



Main Result : A) If the State provides specific financial instruments for specific tax deductions regarding regular maintenance or major restoration works on real estate subject to restriction, would you carry out maintenance or major restoration works in the next five years?



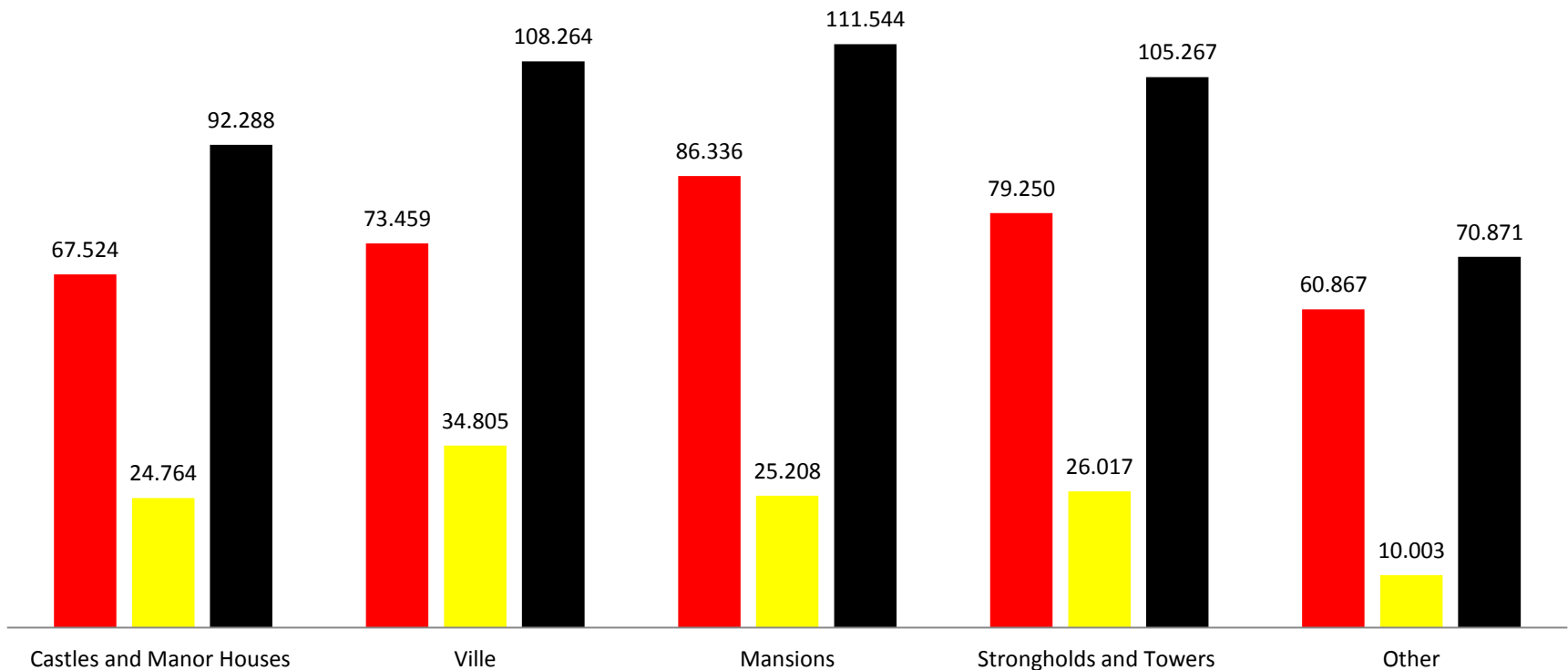
Main Results: B) If the State should decide to introduce a law that particularly favors major restorations of the facades, would this encourage you to restore them?



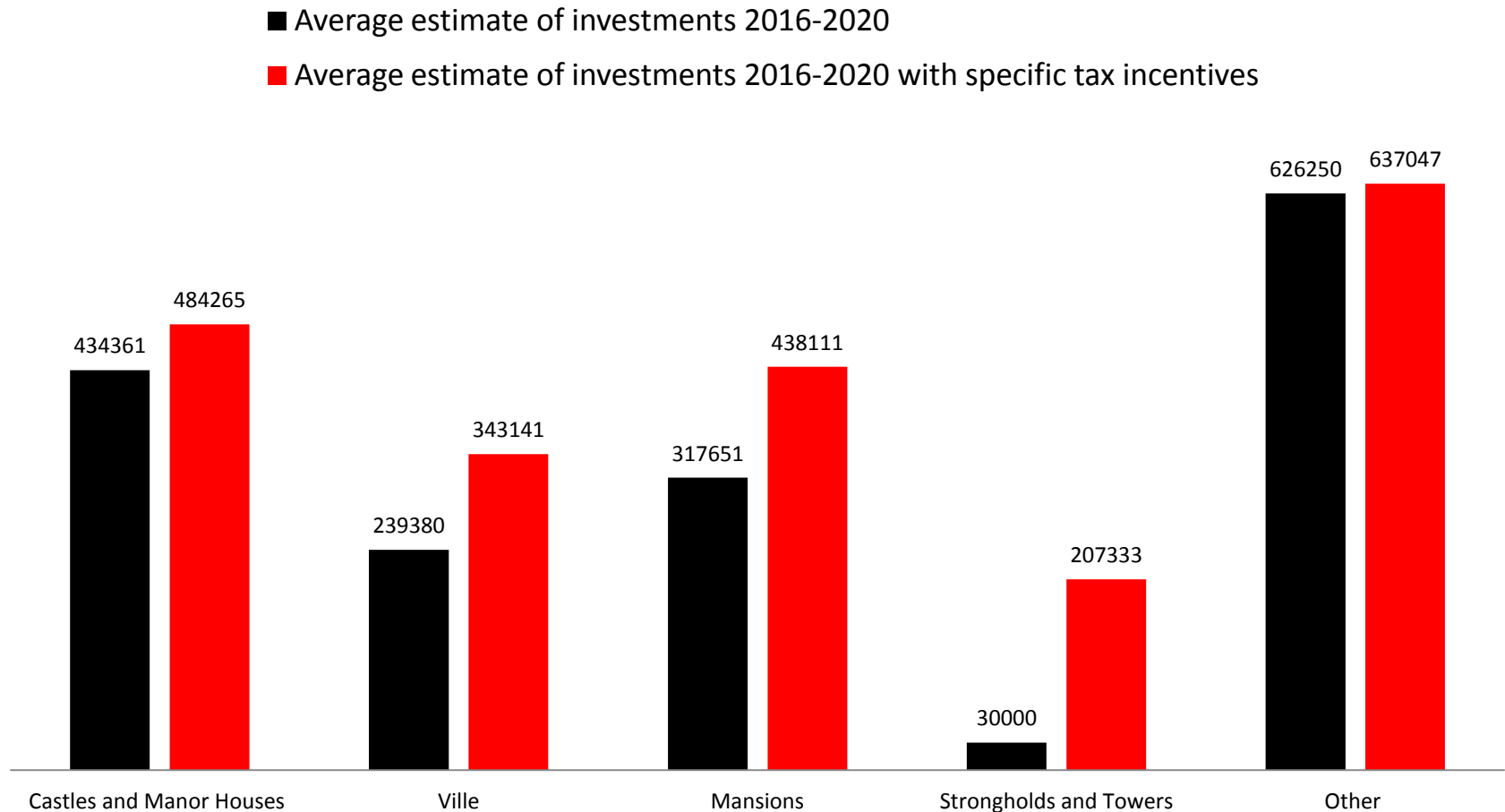
Main Results: C) Expenditures by private owners of real estate with restriction for public interest in the period 2005-2014 (sample referred on the entire restricted private real estate heritage, in millions of euros)

Average Yearly Expenses

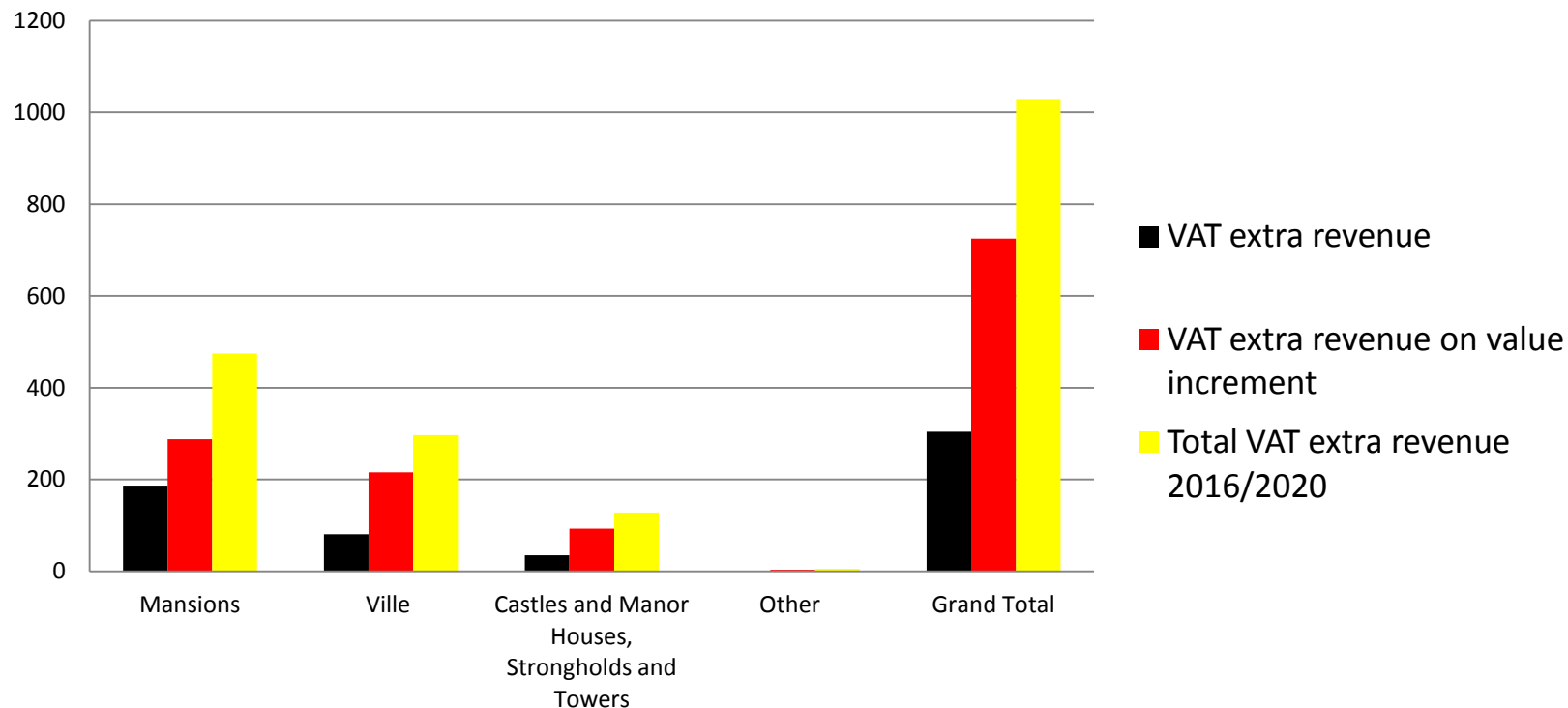
■ Average yearly expenses for restoration ■ Average yearly expenses for ordinary maintenance ■ Total yearly expenses



Main Results: D) Expenditure estimate for private heritage real estate under restriction for public interest in the period 2016-2020



Estimate of major revenues from VAT, period 2016-2020 (in millions of euros) ⁽¹⁾



(1) VAT revenue deduction for major restorations of real estate heritage residencies with restriction for public interest and regular VAT for activities connected with incremental value of the real estate and its usability.

Source: ADSI survey 2015 and database Istituto Italiano Castelli

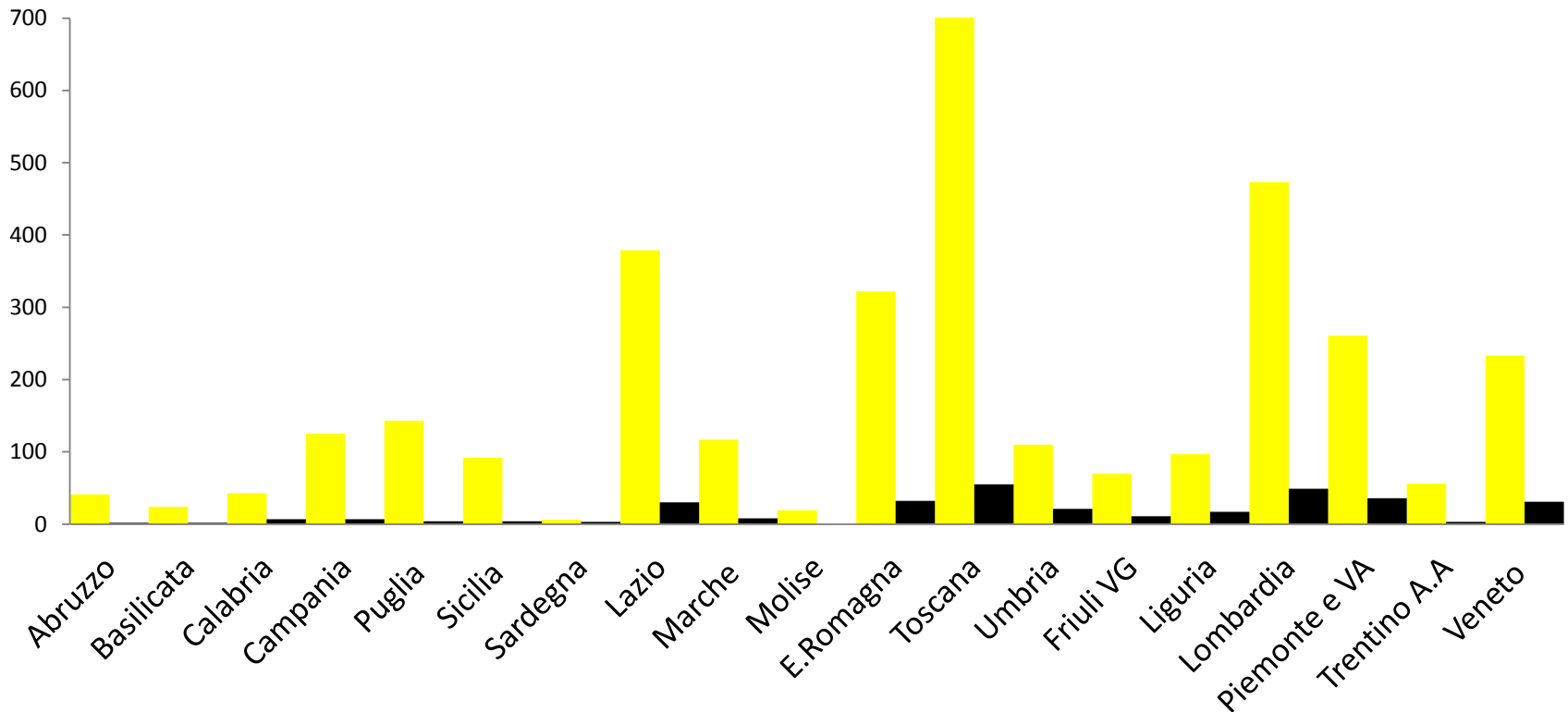
Data collection and methodology

Principal results of ADSI (Associazione Dimore Storiche Italiane) survey and data provided by Istituto Italiano Castelli



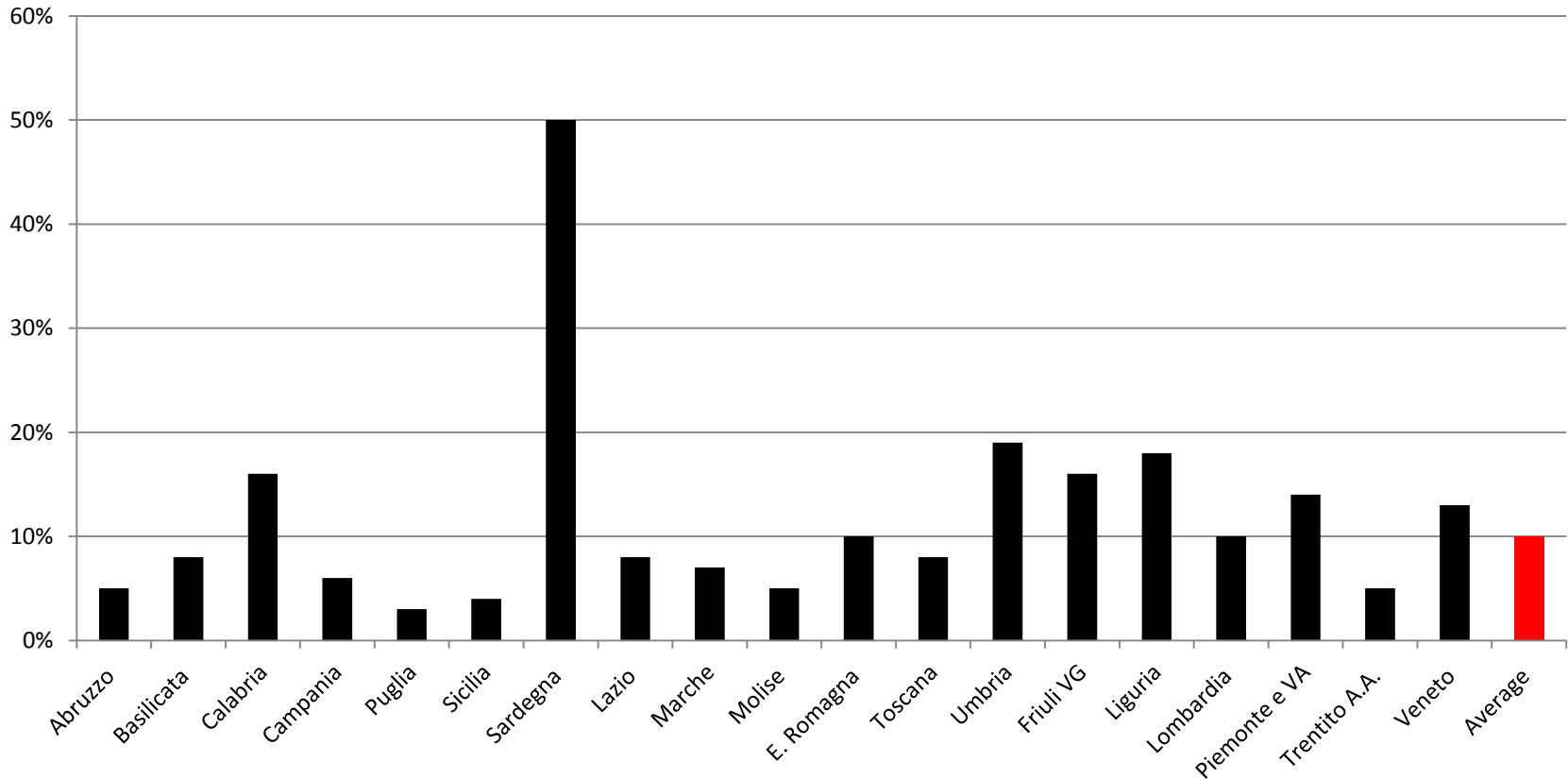
ADSI survey September 2015 ⁽²⁾

Number of ADSI members (in yellow) Survey respondents for each region (in black)



(2) The questionnaires were sent to 3322 ADSI members during the second week of September 2015, 323 responses were received, equivalent to a 10% response rate.

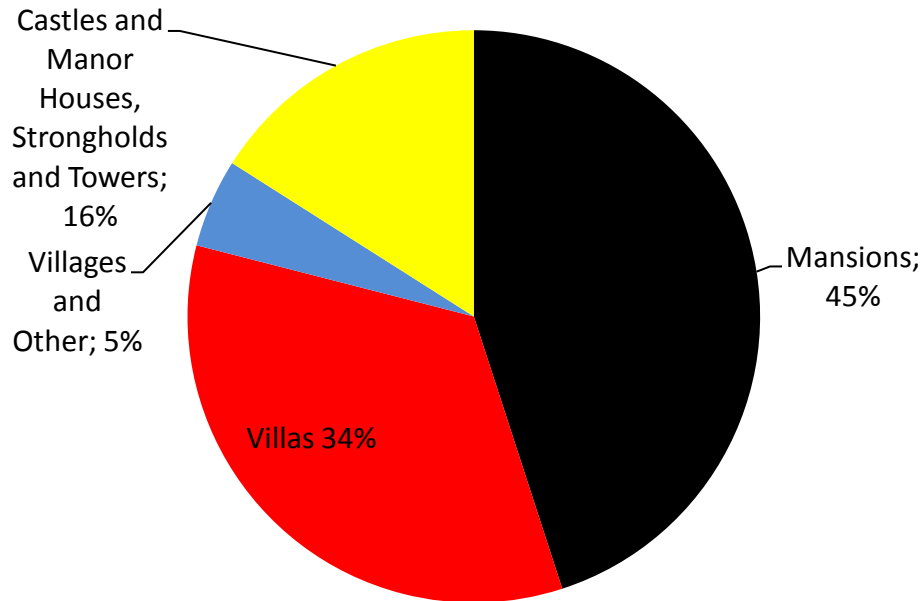
Average responses per region (3)



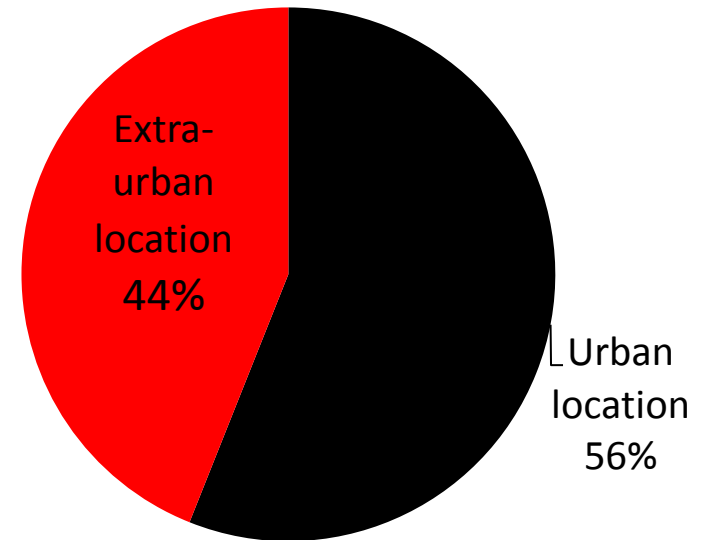
(3) The distribution of the responses was uniform in all regions with the exception of Sardinia (50%), Puglia and Sicily (less than 4%). Considering the small numbers of associates in Sardinia we decided not to adjust the data. For Sicily and Puglia we integrated the information with the data supplied by the **Istituto Italiano Castelli** which collaborated to the study.

The surveyed heritage residencies with restriction (4)

Type of residency

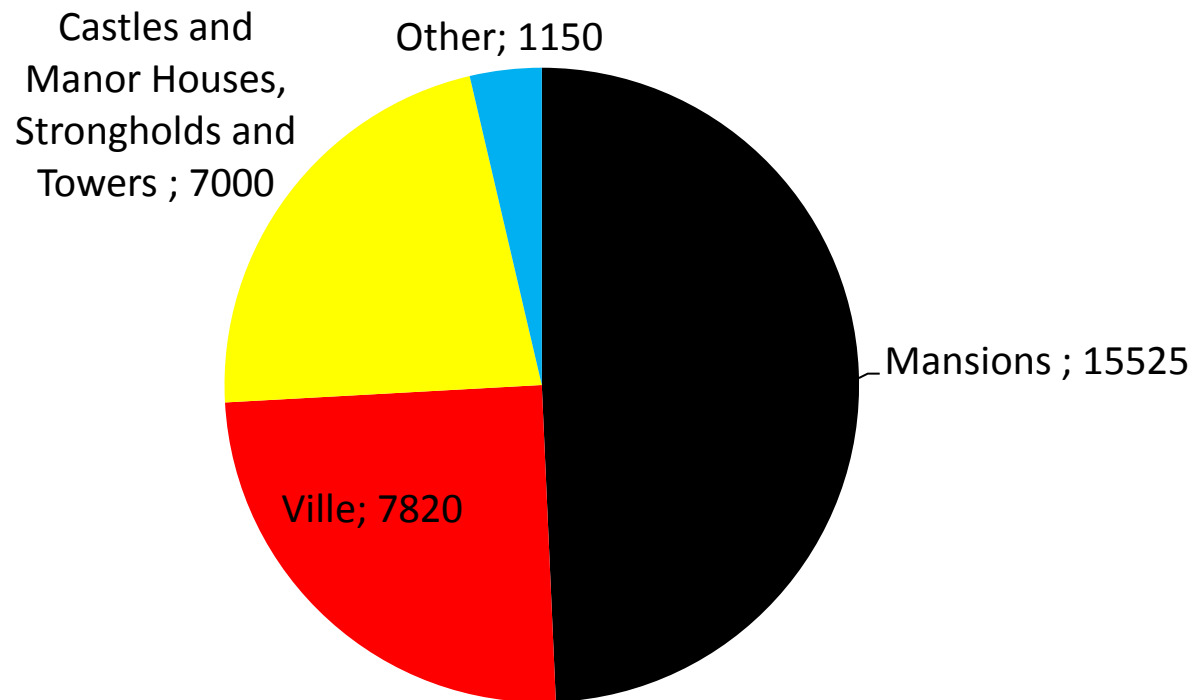


Location of the residencies



(4) In "village and others" are included, besides villages, farmhouses, lodges and monumental structures.

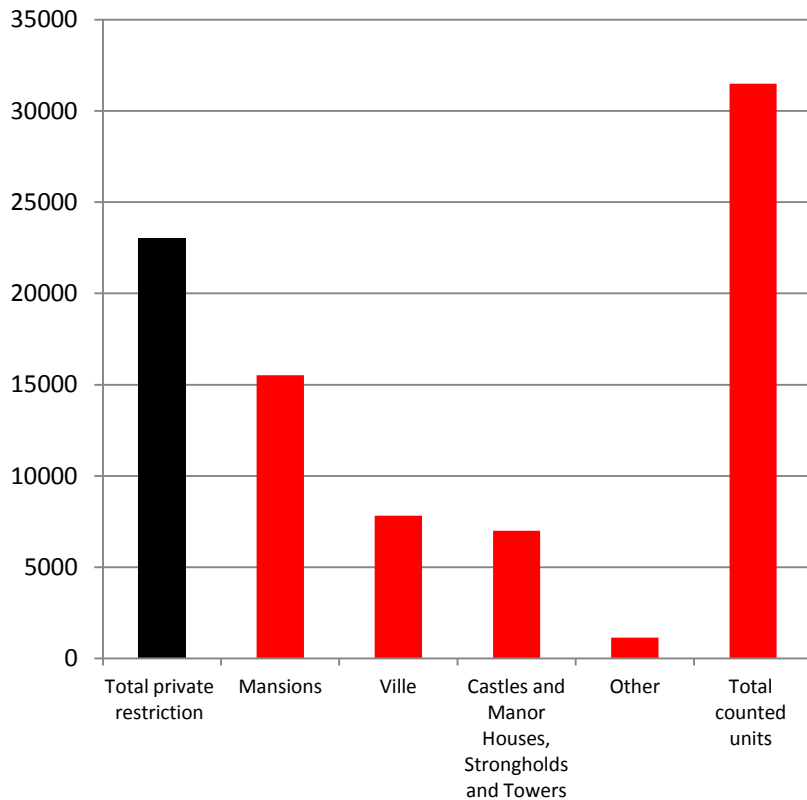
Numbers of surveyed private heritage residences (5)



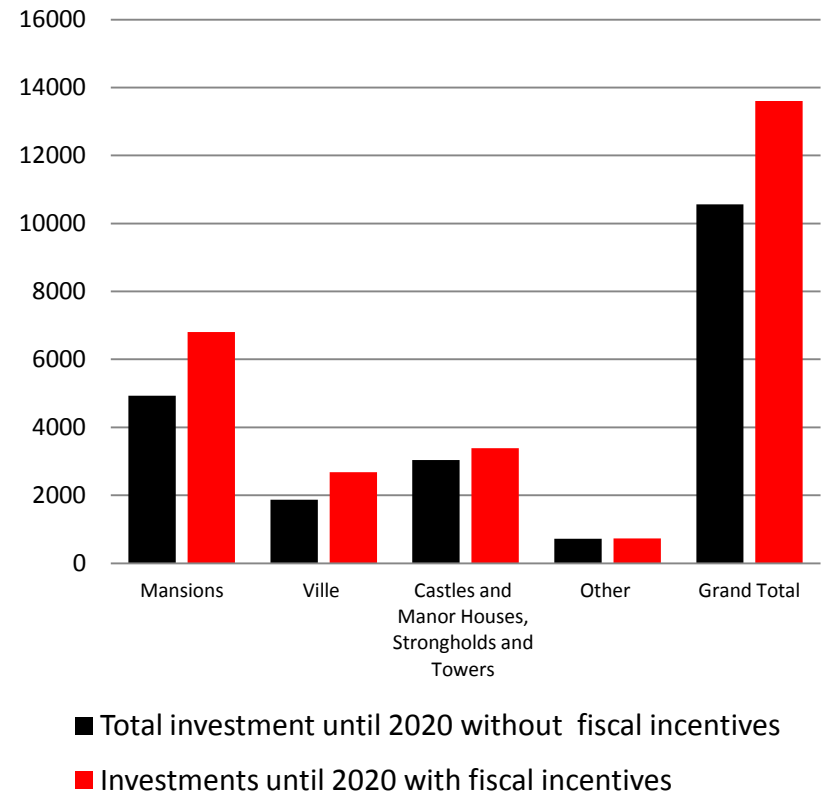
(5) The questionnaire respondents refer to their singular heritage residence, and not necessarily to the entire building under restriction. In this survey, “Mansion” consists of an average of three distinct homes in two buildings

The main factors taken into account to carry out the evaluation

Real estate units interested in investments (in millions of euro)

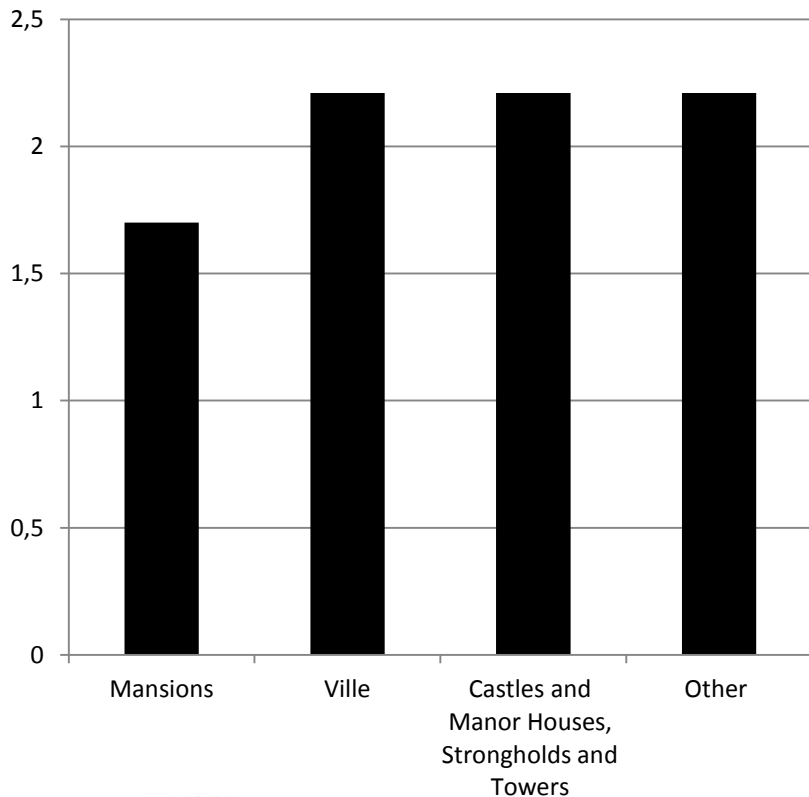


Estimate of future investments until 2020 (in millions)



The key factors taken into account in the evaluation

Coefficient of the estimated increase in value of major restoration due to tax reduction incentives



Coefficients of territorial increase in growth

