

FOREIGN REAL ESTATE INVESTMENT IN ITALY

16TH ANNUAL REAL PROPERTY PROBATE AND TRUST SYMPOSIUM
AMERICAN BAR ASSOCIATION
WASHINGTON, DC.

PRESENTED APRIL 2005

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PRESENTATION OUTLINE

Italy's real estate market has seen a significant increase in investment activity over the past five years in both the commercial and private sectors. Factors that have contributed to this are the following:

- Privatization of public companies
- Sale of non-core business real estate assets by large private companies
- Introduction of the Euro facilitating foreign investment
- Low interest rate environment
- Legal and tax reforms
- Tax amnesty

The focus of the presentation will be on the optimum structures for holding real property in Italy and investment in Real Estate Investment Funds (R.E.I.F.). These subjects will be discussed in the context of the topics outlined below:

- I. Foreign Ownership of Italian Real Estate
 - A. Acquisition
 1. By foreign companies, partnerships and trusts
 - a. Direct ownership
 - b. Through Italian companies
 - i. Shareholding: *Società per Azioni (S.p.A.)*
 - ii. Limited Liability: *Società a Responsabilità Limitata (S.r.l.)*
 - c. European Holding Structures
 - d. Financing: Equity vs. Debt
 2. Direct Private Ownership
 - B. Sale
- II. Property Management: Commercial vs. Private leases
- III. Real Estate Investment Funds (R.E.I.F.)
- IV. Tax Considerations