European prime property

A €1 dream scheme sparks a wider homebuying trend in Sicily

Selling abandoned houses at low cost helps draw buyers from northern Italy and abroad to the island's south

Zoe Dare Hall AUGUST 10 2022

After moving back to her hometown of Cammarata, in Sicily, when Covid hit, Martina Giracello, a 30-year-old architect, has just bought her first home in its ancient centre. Or two houses, actually. She'll live in one, which cost €7,000, with her boyfriend Gianluca Militello, a freelance designer, and they are going to knock down the next-door house, priced at €1,000, to create a private patio area.

"This was affordable for us, and we are now planning the renovations, which will cost us around €50,000," says Giracello, who studied architecture in Palermo, the Sicilian capital, then lived in Spain and England before returning to remote, rural Cammarata, with its population of around 6,200. A few friends moved back at the same time and, like her, have decided to stay permanently.

"People are now realising how easy it is to live in small towns like this, where there are good train connections to the bigger cities, life is slow, cheap and of a far higher quality than in the city," she says. "A good internet connection does the rest...

This way to live gives much more time to spend on personal projects, relationships and just relaxing," she adds.

"South working" is the new buzzphrase to describe the movement of people from Italy's northern cities to marginalised areas of the south. These are people who can work remotely from wherever they want — and that includes many Sicilians who have returned to the island since Covid.



Gangi, one of the first towns to take part in the Case a 1 Euro (One Euro Houses) initiative © Fabio Michele Capelli/Shutterstock Low-cost property is a helpful driver, of course. And if Giracello's home purchase seems cheap, one of her personal projects has been to set up StreetTo, a non-profit that encourages buyers from overseas to invest in even cheaper houses locally — in many cases, for as little as $\mathfrak{C}1$.

Cammarata is among several towns in Sicily to have joined the Case a 1 Euro (One Euro Houses) initiative, which began in Gangi and Salemi (both claim to be the first) in around 2010. Since then, hundreds of abandoned privately owned houses have been sold for upwards of €1.

Maurizio Berti, founder of <u>casea1euro.it</u>, a website that advises prospective buyers on how to find and restore these old village properties, thinks there are "tens of thousands of homes" in Sicily that could be part of this scheme.

"It's impossible to know how many are for sale as it's hard to find the living heirs of abandoned houses. Most were deserted in the 1960s and 1970s when people moved abroad or to Italian cities in search of work and didn't return. Some may have died. Some [descendants] don't realise they even have a house in Sicily, as they've inherited it," says Berti, who also advises local mayors on how to make the scheme work in their towns.



Other houses were left after the 1968 Sicilian earthquake, he says. "Owners were given the opportunity to rebuild in newer parts of town, so the old properties have remained derelict." These days, such homes are typically in small villages, sometimes with a shop and restaurants, "but maybe bad roads and just a bus twice a day", Berti says: "People need to understand the reality."

A typical €1 house will be around 50 sq m, with one or two rooms and small windows. "If you want to use it as a home, you'll need to buy two," Berti says. But these costs, naturally, are the tip of the iceberg: buyers spend €400 to €1,500 per sq m on renovation, with most towns insisting that work is done within three years of purchase.

Most discounted-house buyers are foreigners, who see the romance in the endeavour. "[The] Italians' view is: 'Why would I want to live in a place where my grandfather lived 40 years ago?'" Berti says.

Buyers from 18 nationalities have gravitated to Mussomeli, an ancient hilltop town of 11,000 inhabitants in central Sicily, including many from the US, Australia and China, says Olivia Lento, a Montreal-based project co-ordinator whose masters thesis focuses on how Italy's €1 houses help save towns from abandonment.



Ortigia, where prime property can cost around €3,000 per sq m © Faraway Photos/Alamy

The idea has become so popular that the BBC is about to air a new series in the UK called *The Italian Job*, which features presenters Amanda Holden and Alan Carr as they renovate two €1 houses in Salemi then sell them for charity.

Among Mussomeli's new inhabitants is Australian social media consultant Danny McCubbin. He paid €1 for a village house in the town in late 2019, but his plans to move there were thwarted by Covid. Then he struggled to find a builder as they were all too busy working on the Italian government's post-lockdown "superbonus" green scheme.

The initiative paid homeowners up to 110 per cent of the costs to undertake energy-efficient renovations, and has been widely criticised for triggering price rises and paying out to fraudulent claims.

Once I moved here, I discovered that there is far more to this beautiful place than cheap houses

Danny McCubbin

Last year, McCubbin featured in several press reports about the €1 scheme, describing it as too good an opportunity to miss. However, with costs rising and the state of his house deteriorating, he eventually gave up.

"I sold my house back to the agency for €1 and have since bought a beautiful house in the town with a view for €8,000, and spent €5,000 on renovating it," says McCubbin, who runs The Good Kitchen, a community kitchen in Mussomeli for the vulnerable and elderly.

"There aren't many good €1 houses left here now, but many owners are selling houses that are liveable and don't require major renovation."

The €1 scheme aside, there has been a sharp increase in buyer demand in rural Sicily since the end of Covid lockdowns. High-end estate agent Engel & Völkers reports that sales in 2021 were 24 per cent higher than in 2020; and in the first six months of this year, sales were up 20 per cent on the same period in 2021.

Prime property in the most desirable tourist areas such as Taormina, an ancient clifftop town on Sicily's east coast, and Ortigia, an island joined to the Sicilian mainland at Syracuse, can cost around €3,000 per sq m, says Danilo Romolini at Romolini Immobiliare. Overall, though, Sicily's house prices have fallen by 3-4 per cent since the start of the pandemic, with the market "flooded" with mid-range apartments, he says.



Touristy Taormina © Mark Simpson/Shutterstock

Antonio Carnazza, Engel & Völkers' private office adviser in Sicily, says overseas buyers now account for 60 per cent of his sales. They typically have €1mn-€1.5mn to spend and are looking for "something with lovely sea views", he says, ideally close to the city of Catania, for its nightlife and international airport. "There is less work here, but if you can work remotely, then life is much better and cheaper."

Diletta Giorgolo, head of residential at Italy Sotheby's International Realty, describes Sicily's "environmental low-impact lifestyle" as a big draw for foreign buyers. Others have an eye on the investment opportunity — the largest, most luxurious villas can rent for up to €30,000 a week, she says.



Taormina's ancient amphitheatre © Chris Rout/Alamy

The ambitions of big-budget buyers may seem worlds apart from those seeking €1 houses, but most start <u>house-hunting in Sicily</u> because they hear of the scheme, says Carnazza. "It's a good promotional tool for the island."

While these old, some say "dying" villages may have come to the fore because of their abandoned houses, Salemi, for example, is "considered one of the most beautiful villages in Italy and it has some expensive properties", says Giorgolo. She says she recently sold an eight-bedroom, 16th-century property in the town centre for €620,000.

McCubbin says he is among those for whom the €1 house scheme was "the catalyst" that drew him to Mussomeli. "But once I moved here," he says, "I discovered that there is far more to this beautiful place than cheap houses."

What you can buy ...



Apartment, Salina, €220,000

A one-bedroom apartment in Malfa, a commune on the island of Salina, off Sicily's north coast. The property is on the first floor of a 19th-century house with a communal garden, and has a terrace with sea views towards Stromboli. On the market with <u>Savills</u>.



Apartment, Palermo, €420,000

A two-bedroom, three-bathroom apartment in the centre of Palermo, Sicily's capital. Spread across three floors of a former monastery, the property has been fully renovated and furnished with custom-made pieces, many of which are included in the sale price. Listed with <u>Savills</u>.



Baglio, San Pietro Clarenza, €1.85mn

An 18th-century *baglio* — a traditional Sicilian home built around a courtyard — near the foot of Mount Etna and 12km north-west of Catania. The restored house has 12 bedrooms including four suites, a pool and gardens with native planting. Available through Italy Sotheby's International Realty.

Buying guide

- Asking prices across Sicily have been on a fairly steep downward trajectory since 2014 — though they have started to plateau. The average asking price in July was €1,120 per sq m, down 1 per cent on July 2021, according to Immobiliare.it.
- Sicily is the birthplace of Italy's One Euro House programme and has far more
 €1 houses than anywhere else in the country, with 24 municipalities in Sicily
 taking part.
- Buyers using the €1 scheme must guarantee to start renovation work within a specified timeframe (usually one year), pay all notary fees and apply for the relevant building permits. The works must also complete within a certain time (usually three years).

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