



Moss Italian Property Consultants

MIPC Preliminary Survey

Address : 1 Euro House, Salemi, Trapani, Sicily, Italy.

Sale Price : €1 (One euro)



Property brief description :

Salemi council offers you the opportunity to purchase an old earthquake destroyed house in the historic town of Salemi in Sicily for 1 EURO.

Most of the properties need completely rebuilding and all need to be restored in accordance with the local building regulations.

1 Euro House, Salemi, Trapani, Sicily, Italy



Moss Italian Property Consultants

Salemi:

Salemi is located in the south west of Sicily. Just off the A29 motorway which goes from Palermo to Mazara del Vallo.

45 minutes from both Palermo (PMO) and Trapani (TPS) airport.

Similar to the hilltop town of Erice locally famous for its historic centre, Salemi is currently undiscovered on the tourist route. The locals are mainly land workers producing grapes, olives, fruit and vegetables.

The old historic town centre is scarcely populated. The 12,000 population principally live in the Salemi New Town, built after the earthquake in 1969, when the council acquired the destroyed houses in the historic centre and built the new town for its population. It is these properties destroyed in the earthquake and now council property that they are offering to private investors for 1 euro. The council's vision is that this will drive private inward investment and consequently strengthen the local economy.



The historic town centre is not all ruins, to the contrary, there are many privately owned restored buildings, though also many are in need of modernisation, some of which are also on the property market.





Moss Italian Property Consultants

Salemi property investment opportunities:

Salemi 1 euro house:

The symbolic price of 1 Euro for a property is to be clearly understood. The properties are ruins from an earthquake. These properties will need intensive restoration. The cost of refurbishment, following strict building regulations will vary from €1000 – €1500 / sqm. Thus the cost of a 100sq house could cost you as much as € 150,000 to complete and NOT 1 Euro.

There are also plans to allocate **blocks of 1 euro houses**, that is a street or a square so that an investor or developer or construction firm can renovate in volume and benefit from economies of scale.

Salemi Real Estate market:

Many visitors to Salemi view the 1 Euro properties and realise these buildings need a lot of work. Many also consider the option to purchase an existing property. There are currently many local properties on the market as local Salemitani try to profit from the increased demand. Buying now, before the boom, could be considered a wise investment. There are some fantastic buildings, new, historic, in various states and reasonable priced. These properties offer the opportunity to quickly get on the local property ladder. With lower refurbishment costs and short term completion they offer a true opportunity to be the pioneers of the new Salemi community.

Salemi Real Estate Market Value:

What is the market value of property in Salemi ?

As part of the MIPC due diligence to evaluate the Salemi real estate market MIPC viewed some different properties.

Let me categorize these.

[Sqm = square metre : 1 sqm = 10.67 square feet : 1 Euro = 1.4USD

To convert a price from euro/square metre to dollars/square foot multiply the euro/sqm by 0.13]

Property type A : 1 Euro property

The council has decided that a destroyed building with land is currently worth 1 Euro. With future restoration costs between €1000-1500/sqm and on average €1200 euro/sqm, one could estimate that the future market value of a refurbished property is **at least** the cost of refurbishment. i.e **€120,000** for a 100sqm house.



Moss Italian Property Consultants

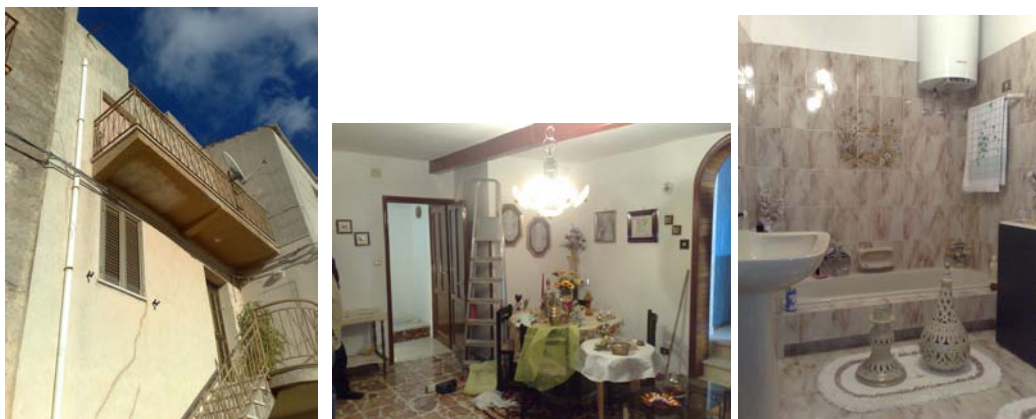
Property type B: An existing property in Salemi to complete.



MIPC recently viewed a 150sqm house on the market at €50,000 in need of completion. Refurbishing with a high specification would cost no more than €50,000 plus purchase, legal and project management costs, for a total of **€117,000**. This could be completed in 2 months so if you act quickly you could use it and/or rent it out this summer.

Purchase price	50,000
Purchase tax and legal costs (approx 14%)	12,000
Refurbishment costs (including architects & taxes)	50,000
Project Management costs (approx 10%)	5,000
Total cost of finished house	€ 117,000

Property type C: A property in Salemi ready to use straight away.



MIPC viewed a recently refurbished house, 120sqm, ready to move into straight away, on the market at €80,000. Okay you may prefer to carry out a little extra



Moss Italian Property Consultants

modernisation, new kitchen & bathroom furniture spending say €20,000, so for **€113,200** you could move in next month.

Property type D: Country farmhouse in need of restoration. Ideal for an agroturismo.

MIPC viewed a large country farmhouse, approx 300sqm with an outbuilding suitable for a 2nd small house, approx 100sqm, all set in 4 hectares of land with Olive trees and mature vine yards. Imagine having your own production and label of olive oil and your own brand of wine.!!! All inclusive for **€80,000**. Refurbishment budget €336,000 (400sqm@€800/sqm+5%PM)

Property type E: Villa in the elite hinterland surrounding Salemi.

MIPC viewed a 4 bedroom villa 400sqm set in the rolling hills of Salemi, with 3 hectares of gardens, **€300,000** In need of a little modernisation.

At a glance: (figures in Euros)

Property	Purchase cost	Purchase fees (14%)	Purchase cost/sqm	Refurbishment budget	Total spend	Finished cost /sqm
A:100sqm	1	0	1	120000	120001	1200
B:150sqm	50000	12000	413	55000	117000	780
C:120sqm	80000	11200	760	22000	113200	943
D:400sqm	80000	11200	228	336000	427200	1068
E:400sqm	300000	42000	855	105000	447000	1118

[Sqm = square metre : 1 sqm = 10.67 square feet : 1 Euro = 1.4USD

To convert a price from euro/square metre to dollars/square foot multiply the euro/sqm by 0.13]