

ELEONORA RIGHETTO

Architect and PhD Student in Real Estate Economics

eleonora.righetto.2@phd.unipd.it

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What determines the attractiveness potential of Italy's medium-sized cities? An analysis from real estate values.

Keywords

Medium-sized cities, attractiveness, housing market, economic crisis, covid-19

In recent years, Italy has been debating the transformation of its medium-sized cities towards a concentric or polycentric territorial model in city networks. Two important events have affected Italian cities in recent years, changing their evolutionary path: the crises of 2008 and 2012 and the Covid-19 pandemic of 2020 and 2021.

My research aims to determine the degree of attractiveness of Italian medium-sized cities and their determining factors, including metropolitan cities which have been given a role as a territorial reference for regional spaces by the legislature. The data used in the research are real estate market values, which can represent the attractiveness of a city in an aggregated form. Other variables are used to help detect the evolution of market determinants such as economic growth, demographic developments, cultural capital, and their positive or negative variations over the past ten years.

A global view of 10 years from 2012 to 2022 and two other views on two five-year periods highlights the cities that have experienced growth along with their causes, and which cities are experiencing demographic abandonment and decreased attractiveness.

The results show that the city of Milan is the most attractive, representing a clear process of centralization that has not been affected by the pandemic. A second group of cities with important Italian industrial and manufacturing traditions is rapidly growing after the years of economic crisis.

A third group of peripheral cities has undergone processes that have hindered their development prospects and decreased their attractiveness, particularly for young people.

However, it is important to note that the attractiveness of a city is not solely based on technological advancements or infrastructure. The concept of a smart region goes beyond the implementation of technological tools and requires a network system of people, economy, institutions, and infrastructure to work in coordination with each other. Therefore, while it is important to consider the effects of crises and pandemics on the growth and attractiveness of Italian cities, it is equally important to focus on factors that make a smart region such as social development, innovation, sustainability, and cultural engagement. This holistic approach will ensure the long-term success and competitiveness of Italian medium-sized cities in the global market.

Eleonora Righetto