This is a new section of the Public-Private Partnership Resource Center website and is currently in draft form. Your feedback is welcome: If you would like to comment on the content of this section of the website or if you have suggestions for links or materials that could be included please contact us at ppp@worldbank.org.

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Sustainable Housing Project in Turin, Italy

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On this page: *A case study on Sustainable Housing Project in Turin, Italy. Find more at the Municipal Public-Private Partnership Framework - Project Summaries section for brief summaries of around 100 projects from around the world, examples of successes and challenges, as well as innovative ideas on solutions, or visit the Guidelines on Innovative Revenues for Infrastructure section.*

Project Summary:

Background

In order to provide housing for vulnerable individuals and families, including families waitlisted for public housing, single-income families, lowincome young couples, posted workers, students, and immigrants, the City of Turin initiated a series of affordable temporary social housing projects. These projects leveraged innovative financing mechanisms, including PPPs, by reusing abandoned buildings. One such project used a nine-story building that was in deplorable condition, having been unused for over 20 years. The building was located in a northern suburb of Turin, between a residential district and a large industrial plant, with a population of 3,000.

Project Structure

In December 2008, the municipality of Turin issued a public tender for a PPP to refurbish, modify, and manage the building. Following the public tender, the municipality awarded the project to a temporary consortium led by Oltre Venture. Oltre Venture later established an SPV called Ivrea 24 in collaboration with an operative partner, Cooperativa DOC, and a financial partner, Fondazione CRT, a bank. A management company was further created, called Sharing Ltd., to provide management services for the social housing project. Oltre Venture owns 70 percent of the shares of Sharing Ltd. and Cooperativa DOC owns the remaining 30 percent. Cooperativa DOC's role is to provide the consortium with hotel and hostel management expertise.

The municipality agreed to allow the SPV to take over the ground lease of the property for 90 years. Under this arrangement, the lessee is permitted to develop the property during the lease period, at the conclusion of which the land and all improvements will revert to the property owner. As part of the agreement, the City imposed requirements for energy efficiency and defined environmental impact measures.

Oltre Venture and Fondazione CRT co-financed the capital costs of the project, providing about EUR 1.3 million (USD 1.5 million) and EUR 13.2 million (USD 15 million) in equity, respectively. The restored building opened on 4 September 2011, with Sharing Ltd. running the building and paying rent to the SPV. The building consists of 182 flats equipped with 470 beds, kitchen and other ancillary services such as a bar, restaurant, laundry, grocery store, a medical and dental clinic with controlled prices, employment office,

afterschool activity center, and car/bike-sharing system. All of these services are managed by Sharing Ltd. and open to tenants and all neighborhood residents. Aside from the flats, which are rentable for a maximum of twelve months, the building is equipped with 58 affordable hotel rooms. About 20 residential units of the apartments are reserved for families waiting for public housing. These families only need to pay “social rent,” which is fixed at an amount below the rental fee otherwise charged by Sharing Ltd. For each of these 20 units, the municipality pays an annual fee of up to EUR 366 (or USD 417) to Sharing Ltd.

Lessons Learned

In 2014, Sharing Ltd. reached the break-even point. The energy-efficient measures allowed Sharing Ltd. to increase rents, while still keeping them belowmarket rates, as a result of the energy costs saved by tenants. The project showcases the private developer’s innovativeness in generating revenues through energy-efficient capital investments.[1]

Footnote 1: Source(s) https://evpa.eu.com/ uploads/documents/ CASE_OltreVenture_ Ivrea24Sharing.pdf accessed 14 February 2019

Copiello, Sergio (2015), “Achieving affordable housing through energy efficiency strategy.” https://www.sciencedirect.com/ science/article/pii/ S0301421515002359 accessed 8 February 2019

http://www.sharing.to.it/ site/en/ accessed 8 February 2019

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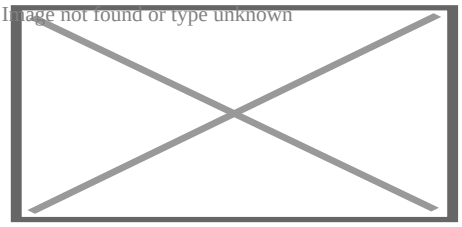
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The Guidelines on Innovative Revenues for Infrastructure (IRI) is intended to be a living document and will be reviewed at regular intervals. They have not been prepared with any specific transaction in mind and are meant to serve only as general guidance. It is therefore critical that the Guidelines be reviewed and adapted for specific transactions.

To find more, visit the Innovative Revenues for Infrastructure section and the Content Outline, or Download the Full Report. For feedback on the content of this section of the website or suggestions for links or materials that could be included, please contact the Public-Private Partnership Resource Center at ppp@worldbank.org.

