The ERES Industry Seminar, Milan SDA Bocconi
“Urban regeneration and development activity in low growth economies”

TORRE GALFA 99

Milano, 23/10/2015
Urban Renewal & Conservation - guidelines

**Urban Renewal** is a continuous process of remodeling older parts of urban areas, including their central business areas by means of rehabilitation and conservation as well as redevelopment, creating space for more profitable office, commercial and residential development or the provision of transport facilities.

**Consolidation** is a major feature of urban renewal and consists of **maximising the use of space** by subdividing buildings into units. It creates higher population densities and reduces urban sprawl.
Urban Renewal & Conservation - guidelines

For urban redevelopment to be successful, what needs to be done?

- Cleaner environment
- Safer environment
- Employment created
- New housing created which is suitable for new and existing residents
- Amenities including open space, recreational facilities, transport and shopping
- Maintain some of the previous character of the area
Urban Renewal & Conservation – importance of urban renewal

Urban Renewal is of growing importance because of:

- **urban areas are becoming larger and older**, so more and more renewal of urban fabric has to take place.
- constant expansion of urban areas into hinterland, while **large quantities of urban land and buildings are abandoned** and left dilapidated.
• Rehabilitation
  The repair and improvement of existing structurally sound property

• Housing Improvement
  Improvements of dwellings adequating them to the character of the real estate initiative

• Conservation
  To retain intact or unchanged, also meant as ‘Preservation’ of architectural quality

• Environmental Improvements
  Main emphasis is to improve environmental conditions
Urban Renewal & Conservation – The birth of the «Torre GalFa 99»

Design by architect Melchiorre Bega
Construction started in 1956 and completed in 1959
Height: 103 m
Floor count: 31 plus two underground floors
Overall gross floor area: approximately 27,000 sq.m
“Torre Galfa 99” (originally 99 meters high) was born as a new, main headquarter offices of the oil companies "SAROM". The project has an impact strongly representative, pioneer of what at the time was called "International Style“, recognizable and able to convey the of the dynamic and contemporary image of SAROM group.
Urban Renewal & Conservation – The birth of the «Torre GalFa 99»

“The skyscraper Galfa achieves a beauty that is immediately understood and loved because it is the form (technical, aesthetic and representative) of a truth”

Urban Renewal & Conservation – The birth of the «Torre GalFa 99»
Urban Renewal & Conservation – The diseuse of the «Torre GaF9 99»
Urban Renewal & Conservation – The disease of the «Torre GalFa 99»
Revitalize the “Torre Galfa 99” by changing its use:

- from offices to a functional mixture, with a view to making a new way of living possible at the top
- a natural container for accommodation and living functions, mixed with services available to guests/users/residents

The “Torre Galfa 99” will be rehabilitated to perform mixed functions, meeting state-of-the-art space optimization criteria and it will be restored to the collective memory of the city after several years of neglect, without affecting its established architectural image, and ensuring energy savings, comfort and compliance with safety standards.
Philosophy

- Connection to the city of Milan, to the block, through “urban reconnection” with the street-level space
- Preservation of the elegance of the structure, particularly related to the simplicity of the façade
- Equipment of energy efficient shell respecting the original design and modularity
- Redevelopment of the portion of the blind facade, on the back, providing it with an additional volume of crystal, that will be allocated technical volumes for stairs and elevators, to ensure the essential safety and accessibility
- High energy performance, through renewable energy
Municipal authorization process

- 1959 - 2014 Licensed use: offices
- 2008 asbestos rehabilitation
- 30th September 2014 – request license for new uses
- 29th April 2015 – license n. 75/2015 for new uses
Urban Renewal & Conservation – The renewal of the «Torre GalFa 99»

FRONT ON VIA CAMPANINI (ACCESS TO RESIDENCES)

MAIN FRONT ON VIA FARA
Urban Renewal & Conservation – The renewal of the «Torre GalFa 99»

VIEW OF RESIDENCES

VIEW OF HALL HOTEL

VIEW OF MULTIFUNCTION/RETAIL SPACE
Accessibility

VIEW OF URBAN SPACE
BETWEEN Via FARA AND VIA GALVANI
Financial aspects

• Rate conditions 2013 (equity subscription by Unipol):
  Spread BTP vs Bund 450 bps

• Rate conditions 2015 (investment kick off):
  Spread BTP vs Bund 110 bps
  BTP 10 years 1,60%
  Premial risk vs free risk 300/400 bps