

**PRESS RELEASE****The impacts of urban regeneration of the former Falck areas and the creation of value for the National Economic System**

*Sunday, 5 September, Cernobbio - At the 47th edition of "Today's and tomorrow's scenario for competitive strategies", a preview of the findings of the research: **Impacts of urban regeneration of the former Falck areas and the creation of value for the National Economic System** conducted by The European House – Ambrosetti, in collaboration with Milanosesto and Hines*

1.5 million square metres of regenerated urban area, 3.5 billion euros invested and 50,000 people hosted daily: these are the key figures of the urban regeneration project for the former Falck areas in the municipality of Sesto San Giovanni (Milan), the largest urban regeneration project in Italy and among the most important in Europe.

The operation will re-endow with new vitality an area that, until the 90s, was occupied by the Falck steel mills and which, since the closure of the industrial site, has remained abandoned and in disuse. The project foresees the collaboration between Milanosesto S.p.A., owner of the areas, with the role of procuring and contracting entity, Hines, project strategic advisor and development manager, and investor for the development of the first private Union o lot, and Prelios Group that will oversee project management of the redevelopment, as well as acting as asset manager for the first private lot.

*"This research – conducted by an organisation boasting the highest profile and competence such as The European House Ambrosetti – offers us the opportunity to fully grasp the real value of a large-scale urban regeneration operation such as that of the former Sesto San Giovanni Falck areas. It is a matter of creating an actual new city, capable of generating enormous wealth in economic and social terms, both at the building stage and, permanently, once works are completed. From a qualitative perspective, it is also important to underline how this regeneration operation regarding the urban, economic and social fabric of this portion of the metropolitan area of Milan will represent a strong impulse for innovative models in environmental and social terms, fully in line with the sustainable development goals of the UN 2030 Agenda and with those of the NextGeneration EU and the NRRP", Giuseppe Bonomi, CEO of Milanosesto S.p.A., commented.*

The project involves the construction of a healthcare excellence hub, Città della Salute e della Ricerca (City of Health and Research), in addition to the new academic and hospital centre of the Vita-Salute San Raffaele University, and private spaces intended for residential facilities, offices, student residences, commercial space, and socio-cultural projects. The construction sites, opening at the start of 2022, are planned to close in 2032; in 2025 the first private lot (Union o) and the City of Health and Research will be

completed and put at the disposal of the community for use in 2025. The impact analysis conducted by The European House - Ambrosetti focuses on these first two lots, with the intention of providing a comprehensive and detailed study of their economic, social and environmental impacts.

**The project.** Union 0 covers a gross area of over 250,000 square metres, in which open market rental accommodation will be built using affordable housing methods, student residences, offices, a hotel and commercial space, as well as bars and restaurants for use by residents and visitors. The City of Health and Research will host the new premises of the National Cancer Institute and the Carlo Besta Institute, two organisations testifying to excellence in the healthcare panorama, not only in Lombardy but internationally, too.

**The impacts.** A project of this scale and magnitude will generate impacts of a multiple nature for the local area. The investment planned for the construction of the first two lots - Union 0 and City of Health and Research (over 825 million euros) will generate revenue of over 2.3 billion euros and over 5,300 jobs. At the end of the works, with the completion of the City of Health and Research and the creation of the residential and occupational hub, the true potential of regeneration will be unfolded. To begin with, from an economic impact standpoint: people who will be using the spaces, that is, resident families, the city users who will be staying at the hotel, neighbourhood workers, patients and their families, etc., will generate almost 190 million euros of additional usage, every year. The Municipality of Sesto San Giovanni will benefit from an additional 2.6 million euros - in IMU, TARI property taxes and additional IRPEF income tax - an amount corresponding to 6.2% of total Municipality tax revenue.

**More than economic aspects:** student residences and flats rented at agreed rentals will have important social repercussions in an area where the availability of student accommodation is dramatically insufficient (there is a shortage of 30,000 beds to bring the city into line with the European average) and where the cost of rents makes it difficult for young people and couples to find adequate housing solutions without excessively overstretching their income. Thanks to the flats available at agreed rentals, which will be equipped with valuable services (study spaces, smart working, baby-sitting and fitness, etc.), 30% more residents in the neighbouring areas will be able to access a home at sustainable prices which will have an average cost 50% lower than comparable solutions in the Municipality of Milan.

*“The cornerstone of this project, in addition to environmental sustainability, is the social infrastructure that will be built; as a real estate project, it can be considered lasting and successful only if it is socially sustainable in the long term. For this to be realised, we started from the demand of the market, defining a new living proposal based on accessible rentals for quality housing solutions that offer an innovative mix of services, customised according to different age profiles and needs. A new ethical development model with a strong social impact will be implemented: MilanoSesto will be a regeneration project but also the generation of a new, sustainable, open and inclusive*

*community”, Mario Abbadessa, Senior Managing Director and Country Head of Hines Italy, stated.*

**A project that not only means redevelopment but also real regeneration.** The neighbourhood - a smart city, equipped with an integrated network for data collection, management and analysis for rendering all services more efficient - will have a strong focus on environmental issues. Safeguarding the local area is an important issue at national level but particularly important in Lombardy, the less virtuous Italian region from the standpoint of land usage (12.1% of the land is used compared to a national average of 7.1%). MilanoSesto is a project regenerating an unused, polluted and inaccessible site, which represents the largest-scale reclamation project carried out by a private entity both in Italy and across Europe. Furthermore, the whole operation will not use even an additional square metre of land.

Almost 1,600 trees (which will absorb 48 tonnes of CO<sub>2</sub> each year) will be planted in the regenerated area that includes Union 0 and the City of Health and Research, half of the energy used will be generated from renewable sources buildings and will meet LEED Gold and Platinum, LEED Neighbourhood Development and WELL certification requirements. Thanks to the high building standards, the energy needs of the area will be reduced by 30% compared to traditional building systems, and avoiding, every year, also thanks to the use of renewable sources and green areas, the emission of 5,500 tonnes of CO<sub>2</sub> into the atmosphere (the quantity emitted by 21,000 cars).

#### MILANOSESTO

MilanoSesto, the largest urban regeneration project in Italy and one of the most ambitious in Europe, will transform an area of more than 1.5 million square meters, where the Falck Steelworks of Sesto San Giovanni once stood, into an efficient, sustainable and inclusive urban center. The masterplan designed by international architecture studio Foster + Partners foresees progressive development over the next few years with landscaping, residential areas, new squares, retail and office spaces and, above all, places designed to connect people. Located in a strategic position north-east of Milan, the area is well connected to the surrounding communities thanks to the new Sesto San Giovanni railway station (which work started in July 2021 and will take two years to complete), the subway station and the major trunk roads providing rapid access to the city center, the tollways and the rest of Lombardy.

The development project comprises a unique mix of functions, including innovative housing based on accessibility criteria, special services for the individual and an intergenerational scheme of student housing, multifamily residences for professionals and young families, and senior housing. The area will also include a 45 hectare park, an extensive green “lung” for the entire Milanese metropolitan area, integrated with the historic industrial buildings.

As a result, MilanoSesto will be a new urban center able to accommodate more than 50,000 residents, city users and visitors on a daily basis. It will also be the site of the Health & Research District, a major public complex of clinical and scientific excellence comprising the new sites of the Besta neurological institute and the National Tumor Institute, as well as the new university campus and hospital under the name Università Vita - Salute San Raffaele.

Milanosesto S.p.A., the owner of the areas, and the implementing body and the contract awardee, works in partnership with Hines and Prelios, two leading real estate players recognized for their experience, reliability and transparency in relations with all stakeholders.

Hines is the strategic advisor and development manager for the whole project, as well as the investor for the development of the first private lot Union o. Prelios Group is handling project management of MilanoSesto, as well as is acting as asset manager for Union o. Visit [www.milanosesto.it](http://www.milanosesto.it) for more information.

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