ITALIAN HOUSING PLAN 2026 AND INTEGRATED HOUSING INFRASTRUCTURE PROGRAMMES

Analysis of the Legal Framework Following Conversion into Law and an Operational Blueprint

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Executive Summary

With the conversion into law of Decree-Law No. 66 of 7 May 2026, the Italian legislature introduced one of the most significant innovations of recent years in the fields of affordable housing and urban regeneration. Among its most relevant provisions, Article 9 governs Integrated Housing Infrastructure Programmes, setting out a new model based on the integration of public objectives, private initiative, urban planning regulation and economic and financial sustainability.

The new framework may mark a significant paradigm shift. **Affordable housing is no longer regarded solely as a social policy measure** or as an ancillary obligation attached to urban development, but is progressively recognised as a form of social infrastructure, essential to labour mobility, the attraction and retention of talent, territorial competitiveness, social cohesion and the effective functioning of urban services.

Integrated Housing Infrastructure Programmes are aimed at the so-called intermediate segment of housing need: individuals and households that do not qualify for public housing but are nevertheless unable to bear the costs of the open rental market or the homeownership market on a sustainable basis. Potential beneficiaries include young people, families, university students, workers living away from their usual place of residence, public- and private-sector personnel required to relocate and seasonal workers.

One of the most innovative features of the reform is the role assigned to private investment. The programmes are designed to be implemented primarily through the mobilisation of private capital, with the possible addition of public resources available under existing legislation. The legislature thus acknowledges that affordable housing cannot be delivered at scale through public expenditure alone and requires a new balance between the public interest, private economic initiative, urban and territorial planning and long-term governance.

The programmes are based on the functional integration of regulated affordable housing, meaning housing subject to an urban planning agreement governing prices or rents, eligibility criteria and long-term use restrictions, together with market-rate housing and complementary urban uses.

At least **70 per cent** of the investment attributable to the residential component must be allocated to regulated affordable housing, while sale prices and rents must be at least **33 per cent** below prevailing market values. These obligations are accompanied by use and affordability restrictions lasting no less than thirty years, designed to preserve the social function of the development over time.

The 70 per cent threshold is one of the defining elements of the framework. It prevents affordable housing from being reduced to a marginal component of an ordinary real estate development and requires the social purpose to remain the predominant feature of the residential investment. At the same time, the viability of the model will depend on the ability to combine the regulated affordable housing component with market-rate housing, services, planning incentives and, where necessary, public support or risk-mitigation instruments.

The practical application of the framework also raises a major issue in low-value real estate markets. Where construction or regeneration costs approach or exceed the value of the completed property, the statutory reduction in prices and rents may create an imbalance that cannot be absorbed by the market-rate component alone. In such contexts, programme delivery may require public contributions, land made available on favourable terms, reductions in planning and development charges, guarantees, genuinely usable planning incentives, long-term low-cost finance or cross-subsidisation between projects.

The reform creates new opportunities for property owners, developers, real estate funds, institutional investors, pension institutions and operators specialising in affordable and social housing and urban regeneration. The urban planning agreement assumes a central role, extending far beyond the determination of regulated prices and rents to include the geographical and functional scope of the programme, the functional mix, risk allocation, access criteria, monitoring mechanisms, planning incentives and management of the entire project life cycle.

The framework may also foster the gradual formation of an institutional investment segment dedicated to affordable housing. The duration of the restrictions, the potential stability of rental cash flows, the possibility of aggregating multiple developments and the involvement of funds and pension investors make these programmes, at least in principle, compatible with long-term investment strategies. This development is not automatic, however, and requires sufficiently large, diversified, transparent and professionally managed operations.

The national framework forms part of a wider international evolution in which housing is increasingly recognised as a component of social infrastructure and sustainable urban development policy. This approach is consistent with the New Urban Agenda and with the work of UN-Habitat on the relationship between housing, social inclusion, urban regeneration, resilience and territorial development.

This context also includes the Memorandum of Understanding signed by FIABCI and UN-Habitat at the 2026 World Real Estate Congress in Vienna, aimed at strengthening cooperation on housing affordability, sustainable urban development and implementation of the New Urban Agenda. The Italian Housing Plan may therefore be understood not only as a domestic housing reform, but also as part of a broader transformation in the role of housing within contemporary urban policy.

This paper provides a systematic analysis of the framework and explores its principal legal, planning, financial and operational implications. Particular attention is devoted to the structure of the programmes, the 70 per cent requirement, sustainability in low-value markets, the urban planning agreement, the potential involvement of institutional capital, structured finance, impact measurement and the development of an operational blueprint for implementation.

The paper also considers the evolution of the traditional public-private partnership towards **the 5P model —**

Public — **Private** — **People** — **Policy** — **Partnership**

The 5P model is not a new legal category, but may provide a governance method capable of integrating public authorities, investors, operators, communities and public policies within a single territorial governance framework.

The challenge will be to transform the statutory framework into deliverable programmes capable of combining housing affordability, economic sustainability, urban regeneration, service quality and protection of the public interest. Only in this way can Integrated Housing Infrastructure Programmes become both an effective investment platform and a new form of social infrastructure for Italian cities.

The Legal and Regulatory Context

Decree-Law No. 66 of 7 May 2026, containing “Urgent Provisions for the Housing Plan”, was published in Official Gazette No. 104 of 7 May 2026 and entered into force on 8 May 2026. The decree was subsequently converted into law, with amendments, by Law No. 116 of 2 July 2026, published in Official Gazette No. 152 of 3 July 2026.

Following conversion, the Housing Plan acquired definitive legal effect, although its implementation remains, to a significant extent, dependent on the adoption of the implementing measures contemplated by the individual provisions. The text resulting from the parliamentary process confirms the general approach of the decree-law while introducing important clarifications and additions concerning the recovery of the public residential housing stock, financial instruments for housing, the role of institutional investors and the regulation of Integrated Housing Infrastructure Programmes.

The Housing Plan forms part of a context characterised by increasing difficulty in accessing housing for a growing segment of the population that, while not meeting the requirements for public housing, is nevertheless unable to bear the costs of the open rental market or the purchase of a primary residence.

The framework therefore seeks to address not only situations of severe housing vulnerability, traditionally covered by public housing policies, but also the so-called intermediate or “grey” segment: individuals and households with an income, but for whom the proportion of income absorbed by housing costs remains economically unsustainable.

The intended beneficiaries of the new measures include, in particular, young people, university students living away from home, workers required to relocate for professional reasons, seasonal workers, young couples, separated parents and individuals interested in new forms of living, including cohousing.

The legislation therefore aims to increase the supply of sustainable and affordable housing through a range of instruments: the recovery of the existing building stock, the mobilisation of public and private resources, the participation of institutional investors, urban regeneration and the implementation of integrated programmes capable of combining regulated affordable housing, market-rate housing, services and functions of collective interest.

From this perspective, the Housing Plan does not merely introduce isolated measures to support demand or encourage the construction of new housing. Rather, it establishes a broader framework in which housing policy is progressively linked to urban planning, long-term finance, the enhancement of public and private real estate assets and the development of new forms of cooperation between public authorities, economic operators and local communities.

A Potential Systemic Shift: From Social Housing to Housing as Infrastructure

Beyond the individual measures contained in the legislation, the Housing Plan appears to introduce a paradigm shift that deserves particular attention.

Article 9 of Decree-Law No. 66 of 7 May 2026, as converted with amendments by Law No. 116 of 2 July 2026 , does not merely regulate a new form of regulated affordable housing. It introduces the category of “Integrated Housing Infrastructure Programmes”. The decision to describe these programmes as infrastructure is highly significant: affordable housing is progressively positioned not only within social and urban planning policy, but among the essential conditions for territorial competitiveness, labour mobility, social cohesion and the attraction of investment.

The wording is particularly significant. Article 9 provides for the implementation of:
“integrated housing infrastructure programmes, including across different urban areas, extending throughout the entire implementation period of the overall investment programme, aimed at enabling access to a sustainable supply of affordable housing”.

The same provision states that these programmes are to be:
“implemented primarily through the attraction of private investment and through any public resources available under existing legislation”.

These two passages provide the principal key to interpreting the provision. **On the one hand, affordable housing is incorporated into a planning, territorial and infrastructure framework; on the other, private capital is assigned a central role in programme delivery, within a system governed by public-interest objectives, urban planning agreements, affordability obligations and long-term use restrictions.**

Amendments Introduced on Conversion

The conversion law confirmed the general structure of Article 9 while introducing a number of clarifications of particular operational importance.

- First, it expressly provided that programmes may be submitted by private entities, including project companies or other dedicated corporate vehicles, provided that they meet the required economic, financial, organisational and experience criteria. The amendment therefore clarifies that initiative is not reserved to public authorities and may be taken directly by economic operators seeking to structure and implement integrated housing programmes.

- Second, the concept of the relevant territorial context was clarified as an area that is either physically continuous or functionally unified and is to be identified through the agreement between the municipality and the implementing entity. The context may comprise several development compartments or sub-areas, provided that they form part of the same project unit and are governed by the same urban planning agreement.

Of particular importance is the possibility of placing that territorial context within a wider development area that also includes non-residential uses, such as retail, offices, services, craft activities and other complementary urban functions. The legislation therefore makes it possible to embed affordable housing within genuinely integrated programmes rather than within exclusively or necessarily residential districts.

In such cases, the law clarifies that the minimum 70 per cent investment allocation to regulated affordable housing must be calculated solely by reference to the residential component of the programme, consisting of regulated affordable housing and market-rate housing, without including non-residential investment in the denominator. This clarification is highly relevant from an economic and financial perspective because it permits the integration of housing, retail, services and other uses without distorting the calculation of the programme's predominant social component.

The conversion law also refined the criteria for determining the market values against which the minimum 33 per cent reduction in prices and rents is calculated, requiring account to be taken of the different property types and their state of repair. The municipal agreement nevertheless remains central to identifying values that genuinely reflect the local market.

- The categories of workers entitled to benefit were also broadened and clarified. Alongside private-sector workers, the law now refers to public-sector categories characterised by particular territorial mobility requirements, including school and healthcare personnel, members of the police forces, firefighters and members of the armed forces.

- Finally, the requirement that major investment programmes with a value of at least EUR 1 billion necessarily include a foreign direct investment component was removed. Access to the special regime applicable to major investment programmes may therefore also extend to wholly domestic investment, provided that the statutory economic threshold and the other applicable conditions are met. This significantly broadens the potential scope of procedures relating to investments of strategic national interest.

The Structural Features of the New Model

Under the post-conversion framework, Integrated Housing Infrastructure Programmes must be based on the functional integration of regulated affordable housing and market-rate housing, within a unified structure intended to achieve the economic and financial balance and sustainability of the overall investment.

The regulated affordable housing component is intended, in particular, for primary residences, student housing for university students living away from home and accommodation for workers required to relocate, including seasonal workers. It must account for at least 70 per cent of the investment attributable to the residential component and must be made available at regulated prices or rents reflecting a reduction of not less than 33 per cent from prevailing market values in the same area.

The law also imposes use and affordability restrictions for a period of at least thirty years, thereby confirming the stable and non-temporary character of the intervention. The implementing entity must assume these obligations through a specific deed to be recorded in the Land Registers, ensuring enforceability against third parties and continuity over time.

Developments must primarily pursue urban regeneration, the reuse of previously urbanised or degraded areas and the redevelopment of the existing building stock, consistently with the objective of limiting land take. The framework also permits increases in usable floor area for the regulated affordable housing component within the maximum limits referred to in the legislation on university residences, while ordinary rules continue to apply to the market-rate component.

The urban planning agreement is essential. It is not merely the instrument through which regulated prices and rents are determined, but also the document defining the territorial scope of the programme, its project unity, functional mix, public and general-interest facilities, access criteria, monitoring systems, the obligations of the implementing entity and the economic and financial balance of the operation.

For investment programmes with a value of not less than EUR 1 billion, the framework also allows recourse to the procedures governing major investment programmes in Italy, including the possible declaration of paramount national strategic interest and the appointment of a Government Extraordinary Commissioner. Following conversion, this regime is no longer limited to programmes involving foreign capital.

Housing as Social Infrastructure

This approach forms part of an international trend in which affordable housing is increasingly treated as a component of social infrastructure, alongside schools, healthcare facilities, urban mobility, local services and community amenities.

The objective is not merely to increase the number of housing units, but to create urban ecosystems capable of integrating housing, services, environmental sustainability, energy efficiency, mobility and quality of life. Housing development is thus conceived as a platform for territorial development rather than as an isolated measure.

The international dimension is also relevant from a financial perspective. In a number of mature markets, affordable housing and build-to-rent are increasingly regarded as distinct asset classes capable of attracting pension funds, insurance companies, infrastructure funds and other long-term investors. Such investments may combine relatively stable income streams with measurable social outcomes, both of which are increasingly relevant to institutional investment strategies.

The legislation is therefore built around a delicate balance: on the one hand, ensuring a genuine social purpose through the predominance of regulated affordable housing, reductions in prices and rents and thirty-year restrictions; on the other, making developments economically sustainable through their integration with market-rate housing, complementary urban uses, planning incentives and administrative simplification.

This balance is the principal systemic innovation of the Housing Plan. **Affordable housing is no longer treated solely as public expenditure or as a planning obligation, but as social infrastructure capable of mobilising private capital within a framework of public objectives, contractual controls and territorial governance.**

Article 9 may therefore represent one of the first comprehensive attempts to establish in Italy a regulatory platform for integrated housing programmes capable of combining urban regeneration, economic sustainability, social impact and institutional capital. The actual effectiveness of the framework will depend on implementation: the quality of urban planning agreements, the ability of municipalities to assess and govern complex programmes, the adoption of implementing measures and the creation of a stable, predictable and bankable regulatory environment.

From Public Housing to Intermediate Housing

One of the most significant features of the new framework is the identification of a segment of housing need distinct from that traditionally addressed by public housing.

Article 9 is aimed at individuals and households whose economic and asset position excludes them from public or subsidised housing, but for whom access to the open rental market or the purchase of a primary residence nevertheless represents an unsustainable burden.

The framework thus identifies the intermediate housing segment, sometimes referred to as the “grey segment”: individuals and households that are not necessarily living in poverty or severe housing exclusion, but are increasingly being priced out of residential markets characterised by high property values and rents.

This is not, however, merely a sociological category. The law establishes specific economic criteria for access to regulated affordable housing. In particular, beneficiaries must have:

I an economic and asset position, certified through the ISEE indicator, above the thresholds applicable to public or subsidised housing;

II annual housing costs, calculated by reference to prevailing market values, exceeding 30 per cent of the average disposable income of the individual or cohabiting household;

III average annual disposable income not exceeding five times the annual housing cost determined by reference to market values.

The legislature therefore adopts a test based not only on the absolute level of income, but also on the relationship between disposable income and housing costs. This approach makes it possible to take account of the significant territorial differences between Italian real estate markets: the same income may be adequate in an area characterised by relatively low prices, but insufficient in a city where rent or mortgage payments absorb an excessive share of household resources.

Potential beneficiaries include young people, families, university students living away from home, workers required to relocate for professional reasons and seasonal workers. More broadly, the framework concerns a significant proportion of the working population that, despite receiving an income, faces increasing difficulty in finding suitable housing close to places of study or employment.

Housing affordability therefore has not only a social dimension, but also an economic, productive and territorial one. A shortage of affordable housing can directly affect the ability of cities to attract and retain workers, students, young families and professional skills, with consequences for the operation of public and private services, labour mobility, urban competitiveness and community cohesion.

This difficulty increasingly affects personnel employed in healthcare, education, tourism, logistics, services and productive activities: groups that are essential to the functioning of cities but are often unable to live in the places where they work.

The Housing Plan therefore recognises a structural limitation of the current housing system. The open market does not always produce a sustainable supply for the intermediate segment, while public housing is primarily directed towards the most vulnerable groups and lacks the resources required to meet the full extent of emerging demand.

The response is the introduction of integrated programmes based primarily on the mobilisation of private capital, public regulation of prices and rents, urban planning agreements and long-term use restrictions. **The objective is not to replace public housing, but to add a new segment of supply capable of filling the widening gap between housing welfare and the market.**

A Model Based on Private Capital: Initiative, Urban Planning Agreements and Risk Allocation

One of the most innovative elements of Integrated Housing Infrastructure Programmes is the role assigned to private capital. **Article 9 provides that such programmes are to be implemented primarily through the mobilisation of private investment, supplemented where appropriate by public resources available under existing legislation.**

The framework acknowledges a structural reality: affordable housing cannot be delivered at scale through public finance alone and requires the participation of property owners, developers, real estate funds, institutional investors, pension institutions and specialist operators. Private capital is not, however, left free to pursue a merely real estate-driven objective; it is placed within a framework of affordability obligations, long-term use restrictions, public oversight and integration with territorial policies.

The new model should not therefore be interpreted as a simple extension of traditional regulated affordable housing. **It requires the creation of a unified programme in which regulated affordable housing,** any market-rate residential component, services and complementary urban functions jointly contribute to the economic and financial sustainability and overall urban quality of the development.

The law clarifies that initiative may also come from private entities, including project companies and other dedicated vehicles, provided that they possess the necessary economic, financial, organisational and professional capacity. **A property owner, developer or investor may therefore identify a site or real estate complex and submit to the municipality an affordable housing programme embedded within a broader urban regeneration project.**

The availability of the site does not, however, create an entitlement to implement the programme. The initiative remains subject to compatibility with applicable planning instruments, regional and municipal rules, a demonstrable housing need, adequate infrastructure and services and recognition of the public interest by the competent authority.

A privately promoted programme must therefore be preceded by an integrated assessment covering not only development capacity, but also housing demand, the relationship between transformation costs and market values, the availability of infrastructure, accessibility and the possibility of ensuring the long-term management of the regulated affordable housing component.

In this context, the urban planning agreement assumes a central function. It does not merely establish regulated prices and rents; it must construct the legal, planning and economic and financial architecture of the development. It defines the territorial scope of the programme, its functional structure, the scale of the regulated affordable housing component, the duration of restrictions, urbanisation works, services, implementation arrangements and control systems.

The agreement must also regulate the criteria used to determine market values and the resulting reduction in prices and rents, taking account of different property types, the characteristics of the areas concerned and the various categories of beneficiary. The possibility of differentiating economic terms may be essential where programmes include primary residences, university accommodation, housing for workers living away from home or seasonal workers and other forms of housing permitted by the legislation.

The agreement must be coordinated with the economic and financial plan. Prices, rents, planning incentives, charges, implementation timetables and management obligations cannot be defined in isolation, since all contribute to the sustainability of the programme. The agreement should therefore transparently reflect the relationship between the public benefits granted, the social obligations assumed by the implementing entity and the conditions necessary for investment feasibility.

Planning incentives are particularly relevant. **The legislation permits increases in usable floor area, which may differ between the regulated affordable housing and market-rate components, subject to specific limits for affordable housing.** These incentives do not appear to constitute automatic entitlements or unconditional rights of the promoter, but rather instruments to be assessed by reference to programme quality, the site's development capacity, service availability and the need to secure economic and financial balance.

Any incentive should therefore be proportionate to the actual public benefit produced and to the obligations assumed. Additional development capacity cannot be assessed solely as economic compensation; it must remain compatible with urban quality, planning standards, infrastructure and the objective of limiting land take.

The agreement should also prevent the most profitable components from being delivered before or independently of the regulated affordable housing and public facilities. The timing of the various phases should therefore be linked, with implementation or occupation of the market-rate component made conditional on completion, or at least proportionate progress, of the regulated affordable housing, urbanisation works and services.

Risk allocation is another essential component. The multi-decade duration of the programmes and the predominance of the regulated affordable housing component require the principal risks to be identified from the outset and assigned to the party best able to prevent, control or absorb them. **Risks relating to title and legal availability of the site, design quality, construction costs and completion should fall primarily on the implementing entity and its technical contractors.** Administrative risk must instead be distinguished between what arises from an incomplete or non-compliant private proposal and what results from delays, changes or decisions attributable to the public authority.

Demand and management risks are particularly important. The existence of general housing need does not automatically guarantee occupancy. The implementing entity must demonstrate that the type, location, size and economic terms of the proposed supply correspond to effective and sufficiently stable demand.

Default, vacancy and changes in beneficiary eligibility must be addressed through clear procedures for selection, verification and updating of economic and asset conditions. The legislation already provides disclosure obligations for occupants and consequences where eligibility thresholds are exceeded over time; the agreement and the individual contracts must translate these provisions into workable procedures.

Transparent arrangements should be established for the formation and management of waiting lists, the timely replacement of tenants who cease to qualify, cooperation with the municipality and monitoring tools designed to minimise vacancy. For programmes serving students, relocating workers or seasonal workers, the flexibility permitted by law between different eligible housing uses may also be used to adapt supply to seasonal or structural changes in demand.

The agreement must also address supervening events. **The minimum thirty-year** duration inevitably exposes programmes to regulatory change, material cost variations, changing demand, technological innovation and transformations of the local context. Review or rebalancing mechanisms may therefore be appropriate, provided that they are based on objective conditions, do not alter mandatory legal requirements and do not amount to a public guarantee of investment profitability.

Proper risk allocation must not result in the general transfer of risks to the public sector. Private capital must remain exposed to ordinary business risk and to risks that can be controlled through proper design, construction and management. The public authority may assume or mitigate risks directly connected with its own powers, planning decisions and the pursuit of the public interest.

From a bankability perspective, the programme must demonstrate that the regulated affordable housing component, while predominant and subject to long-term restrictions, can generate cash flows compatible with debt service, operating costs, maintenance and a return on capital proportionate to risk.

Sustainability cannot be derived from the market-rate component alone. It will depend on the cost and terms on which the site is made available, genuinely usable planning incentives, project quality, financing duration and cost, management efficiency, demand stability and any public resources or risk-mitigation instruments.

In markets where construction or regeneration costs approach or exceed the market value of the completed property, the minimum reduction in prices and rents may create an imbalance that cannot be offset by market-rate housing alone. Feasibility may then require public contributions, reductions in charges, land made available on favourable terms, guarantees, grants, low-cost long-term finance or cross-subsidisation between projects.

Article 9 therefore creates meaningful space for initiatives promoted by property owners, developers and investors, but it does not liberalise development or establish a general derogation from planning law. The programme remains a private proposal assessed and regulated by the public authority by reference to territorial need and the public interest.

The quality of the urban planning agreement will therefore be decisive. Through that agreement, coordinated with the economic and financial plan and the corporate structure of the operation, private capital, public objectives, housing affordability, planning incentives, services, implementation timetables and long-term risks must be balanced. **Only a transparent and verifiable allocation of obligations and responsibilities can convert the availability of private capital into the actual capacity to deliver and manage socially useful and financially sustainable housing infrastructure.**

The 70 Per Cent Requirement: Social Predominance and Investment Sustainability structures

A particularly significant provision requires that no less than 70 per cent of the investment needed to implement Integrated Housing Infrastructure Programmes be allocated to regulated affordable housing, calculated by reference to the total investment attributable to the residential component of the programme.

This requirement clearly defines the predominant purpose of the new instrument. A programme cannot be structured as an ordinary market real estate transaction to which a marginal affordable housing component is added. Regulated affordable housing must constitute the core of the residential investment, while the market-rate residential component performs a rebalancing function and supports the economic and financial sustainability of the operation.

The clarification introduced on conversion is particularly relevant for programmes involving multiple uses. Integrated Housing Infrastructure Programmes may form part of larger developments that, alongside housing, include retail activities, local services, offices, healthcare, sports or educational facilities and other complementary urban functions.

In such cases, the 70 per cent threshold is not calculated by reference to the value of the entire programme, including non-residential investments, but to all investments attributable to the residential component, consisting of regulated affordable housing and market-rate housing. Non-residential uses are therefore excluded from the denominator. This protects the social predominance of the programme without discouraging genuinely integrated developments in which housing is accompanied by the services required for a functioning neighbourhood.

The statutory parameter remains economic in nature. The 70 per cent requirement relates to the investment amount, not to floor area, volume, number of dwellings or gross floor area. It is therefore not necessarily required that 70 per cent of the units or residential space be allocated to regulated affordable housing; what matters is the value of the investment attributable to the two residential components.

This approach has significant operational consequences. Compliance must be assessed by reference to the cost plan, the economic and financial plan and the project cost structure. It will therefore be necessary to distinguish precisely between:

1. costs directly attributable to regulated affordable housing;
2. costs directly attributable to market-rate housing;
3. costs shared by the two residential components;
4. costs relating to non-residential functions;
5. costs of urbanisation works, public facilities and shared infrastructure; and
6. land value, financing costs and other general programme costs.

For shared costs, objective and verifiable allocation criteria consistent with the nature of the project will be required. Depending on the circumstances, such criteria may be based on floor area, volume, direct costs, works value or the actual use of common infrastructure. The choice of criterion is not neutral, as it may directly affect compliance with the threshold.

The urban planning agreement should therefore regulate with particular care:

1. the composition of the total residential investment;
2. cost-allocation criteria;
3. the treatment of shared expenses;
4. the distinction between residential and non-residential investment;
5. the documents required to demonstrate compliance;
6. the timing of verification;
7. monitoring mechanisms during implementation; and
8. the consequences of any deviation from the minimum threshold.

For programmes comprising several projects or territorial areas, the agreement must clarify whether, and to what extent, compliance is to be verified separately for each area or by reference to the programme as a whole. In any event, the regulated affordable housing component should not be distributed in a manner that deprives individual material parts of the programme of their social purpose. As a matter of principle, this discourages concentrating all regulated affordable housing in a single development compartment while devoting all other areas exclusively to market-rate housing, unless the actual structure of the programme and the agreement nevertheless demonstrate compliance with the statutory purpose.

The threshold must be monitored throughout implementation. It will not be sufficient to demonstrate compliance in the initial plan. Design variations, cost increases, changes of use, revisions to the works or different cost allocations may alter the relationship between the regulated affordable housing and market-rate components over time. The implementing entity must therefore maintain an accounting and monitoring system capable of continuously reconstructing the composition of the investment.

This requirement clearly distinguishes Integrated Housing Infrastructure Programmes from traditional negotiated planning schemes. In the latter, the public or social component is often treated as a qualitative planning standard, a compensatory measure or an ancillary obligation. Under Article 9, affordable housing constitutes the central pillar of the residential investment, while market-rate housing and complementary functions contribute to the overall sustainability of the programme.

From a financial perspective, the 70 per cent requirement has a dual character. On the one hand, it strengthens the social purpose and credibility of the programme, potentially aligning it with impact investment strategies, ESG policies and long-term institutional investment. On the other, it reduces the share of housing that may be placed on the market at full market terms and requires the implementing entity to demonstrate that economic and financial balance remains achievable despite a predominant component offered at prices or rents at least 33 per cent below market values and subject to restrictions lasting no less than thirty years.

Bankability does not therefore follow automatically from the programme's social classification. It depends on a combination of factors, including land cost and availability, planning incentives, the level of regulated prices and rents, investment duration, cost of capital, construction risk, vacancy and default risk, management efficiency, complementary uses and the stability of the urban planning agreement.

The economic and financial plan must demonstrate that the regulated affordable housing component, although predominant and subject to long-term restrictions, can generate cash flows compatible with capital remuneration and debt service. Market-rate housing and the other programme functions must not transform the development into a predominantly commercial operation, but may legitimately contribute to its overall economic and financial balance.

The 70 per cent requirement therefore operates simultaneously as:

1. a guarantee of the programme's predominant housing and social purpose;
2. a distinguishing criterion from ordinary real estate transactions;
3. an economic parameter to be monitored throughout implementation;
4. a structural constraint to be incorporated into the economic and financial plan; and
5. one of the principal matters to be regulated in the urban planning agreement.

The practical challenge will be to avoid two opposite risks: purely formal cost accounting designed artificially to demonstrate compliance, and an excessively rigid application that renders economically impracticable projects capable of providing genuinely affordable housing. **The quality of the agreement, the economic and financial plan and the monitoring system will therefore be decisive in translating the social predominance required by law into deliverable and sustainable programmes.**

Sustainability in Low-Value Real Estate Markets

A specific difficulty arises in territorial contexts where the cost of construction, including technical, financial, planning and management expenses, approaches or exceeds the market value of the completed property.

The model established by Article 9 appears easier to apply in markets characterised by sufficiently high real estate values, where the difference between production cost and market value can absorb, at least in part, the minimum 33 per cent reduction required for regulated prices and rents. The position is different in weak-demand areas, smaller towns, inland territories or locations where market values remain low while construction, energy-upgrading and regulatory-compliance costs are largely irreducible.

In such areas, the total cost of delivering a dwelling may equal or even exceed its market value. The 33 per cent market discount then does not merely reduce the developer's margin; it may produce a sale price or rent incapable of covering the industrial cost of the project itself.

For example, if the total development cost is EUR 2,000 per square metre and the market value of the completed property is EUR 2,100 per square metre, the minimum 33 per cent reduction would produce a regulated sale price of approximately EUR 1,400 per square metre. The operation would therefore incur a structural economic loss even before taking into account the cost of capital, financing costs, construction risk and investor return.

In such cases, even land made available free of charge or at a discounted price may be insufficient to restore economic and financial balance, particularly in regeneration projects involving demolition, remediation, structural consolidation, energy efficiency measures, seismic upgrading and major infrastructure works.

The problem is even more pronounced in rental developments. Regulated rents must support not only debt service and the return on invested capital, but also management, maintenance, insurance, default, vacancy and the long-term replacement of building and plant components. In low-rent markets, a 33 per cent reduction may produce cash flows insufficient to sustain the investment throughout the thirty-year restriction period.

The practical applicability of the model will therefore depend on the relationship between at least three variables:

1. the total cost of construction or regeneration;
2. the actual market value of the property; and
3. the regulated price or rent resulting from the statutory reduction.

Where market value provides an insufficient margin over production cost, balance cannot be achieved solely through the integration of regulated affordable housing and market-rate housing. A combination of additional instruments may be required, including:

- the grant or contribution of public land or property on favourable terms;
- public capital grants or interest subsidies;
- public guarantees or other risk-mitigation instruments;
- genuinely usable planning incentives;
- reductions or offsets in urbanisation charges and construction contributions;
- low-cost long-term financing;
- integration with economically stronger uses;
- revolving funds or blended-finance instruments; and
- territorial cross-subsidisation or compensation between projects located in different markets.

The possibility of structuring programmes across several urban areas may be significant in this respect. A unified programme could combine projects located in markets with different property values, using the stronger economic capacity of higher-value areas to support, within transparent and contractually regulated limits, projects in locations where housing need is high but market sustainability is weaker.

Such an approach requires particular caution. Cross-subsidisation between areas or development compartments should not become a merely formal accounting exercise, but must be supported by a unified economic and financial plan, genuinely connected cash flows and governance capable of ensuring delivery of all programme components.

The sustainability of Integrated Housing Infrastructure Programmes will therefore not depend on housing demand alone. In some territories, social demand may be high while real estate values remain insufficient to support the cost of supply. The principal implementation risk is that the instrument may be easier to use in already strong markets and less effective in economically weaker areas, where the need for regeneration and affordable housing may be even greater.

To avoid this outcome, implementing measures and accompanying public policies must recognise that the gap between production cost and regulated value cannot always be absorbed by the private operator. Where the market does not generate sufficient value, an explicit component of public support, cross-subsidy or risk reduction will be required.

The sustainability of the model must therefore be assessed on a territory-by-territory basis. In strong markets, the integration of regulated affordable housing, market-rate housing and complementary functions may produce an autonomous balance. In weaker markets, where construction costs approach or exceed completed values, public resources, effective incentives, reductions in charges or cross-subsidisation will be indispensable. Otherwise, the Housing Plan risks producing developments mainly in already attractive areas while failing to reach the territories where housing need and regeneration requirements are greatest.

Urban Regeneration and Limiting Land Take

Integrated Housing Infrastructure Programmes are expressly framed by the objectives of urban regeneration and limiting land take. **Article 9 provides that developments are to be implemented primarily through urban regeneration programmes, the reuse of previously urbanised or degraded areas and the redevelopment of the existing building stock.**

The law does not impose an absolute prohibition on new development, but establishes a clear hierarchy. Priority is given to the transformation of the existing city, while the use of undeveloped land remains subject to its classification as already urbanised or suitable for development under applicable planning instruments, without prejudice to environmental and ecosystem protection, landscape conservation, natural-risk prevention and territorial safety.

A specific provision permits the renovation of existing buildings in agricultural areas to meet the housing needs of seasonal workers employed in agriculture and tourism. This does not appear to authorise the general residential transformation of agricultural land, but rather the recovery of existing buildings in response to a specifically identified housing need.

This approach directly links housing policy to the qualitative transformation of cities. **The objective is not only to increase the number of affordable dwellings, but to use housing demand as a lever to recover disused properties, underused sites, degraded districts and already serviced parts of the territory in need of new functions, services and environmental quality.**

Affordable housing thereby becomes an instrument of urban regeneration. It can reconnect fragmented urban fabrics, reactivate assets without a function, improve the energy performance of the building stock, expand service provision and promote greater social and functional integration.

The post-conversion framework reinforces this interpretation by allowing residential components to form part of wider programmes that include non-residential uses. Retail, offices, healthcare, education and sports services, workplaces and other complementary urban functions may contribute to a unified development without being included in the calculation of the 70 per cent relationship between regulated affordable housing and market-rate residential investment.

This clarification is also important from an urban planning perspective. Regeneration cannot be reduced to replacing a degraded building with a new exclusively residential complex. A genuinely integrated programme requires services, economic activities, infrastructure, public spaces and collective functions capable of making the new development a real part of the city.

The legislation itself requires the urban planning agreement to provide adequate public and general-interest facilities, with particular attention to public services and neighbourhood retail, defined by reference to territorial needs and following consultation with the most representative trade associations.

The agreement should therefore regulate not only the number, type and economic terms of the dwellings, but also urbanisation works, required infrastructure, public and general-interest services, complementary uses, collective spaces, urban green areas, mobility and accessibility. It should coordinate implementation phases so that housing is not completed and occupied long before the facilities required for neighbourhood life are delivered.

The urban sustainability of the programme depends on simultaneous delivery, or at least proper temporal coordination, of housing, infrastructure, services and collective facilities. Without such coordination, formally integrated developments may in practice lack the services and connections necessary for everyday life.

The legislative preference for reusing the existing city also creates economic complexity. Regeneration may cost more than greenfield development, particularly where it involves demolition, environmental remediation, structural consolidation, seismic upgrading, energy refurbishment, removal of hazardous materials or conservation of historic and architectural features.

In weaker markets, these costs may approach or exceed the value of the completed property. The combination of high regeneration costs, the predominance of regulated affordable housing and a minimum 33 per cent market discount can make it particularly difficult to achieve economic and financial balance.

Urban regeneration cannot be assumed to be sustainable merely because it avoids new land take. Its feasibility will depend on the value and terms on which the land or property is made available, remediation and transformation costs, genuinely usable planning incentives, any reduction in charges, the availability of public resources and the possibility of integrating functions capable of supporting the programme’s overall sustainability.

Financing cost and duration, the ability to generate long-term cash flows and management quality will also be relevant. Where total regeneration cost exceeds the economic value that the development can support, balance cannot be entrusted to private capital alone and will require public grants, equity contributions, reductions in charges, guarantees, subsidised finance or other risk-sharing mechanisms.

Planning incentives may perform an important function but are not necessarily sufficient. Additional usable floor area may spread fixed regeneration costs over a larger development area, but can be used only where compatible with site capacity, existing infrastructure, planning standards and overall project quality.

Non-residential uses may also support the balance, but should not be treated as a mere financial device. Retail, services, offices and collective facilities must respond to actual territorial demand and be consistent with the urban function of the programme. Otherwise, there is a risk of creating additional space without genuine economic or social sustainability.

The connection between affordable housing and urban regeneration is therefore one of the most important features of the new framework. Housing need can become the driver of wider territorial transformation capable of attracting private investment while producing environmental, social and urban benefits.

For this to occur, the housing component must not be isolated from its context. Programme quality will depend on the ability to integrate dwellings with public transport, sustainable mobility, schools, healthcare, neighbourhood retail, sports facilities, urban green space, collective areas and places of social interaction.

The required mix is not limited to the coexistence of regulated affordable housing and market-rate housing. It must also be functional, social and temporal. A balanced neighbourhood requires different types of residents, activities operating at different times of day, accessible services and spaces that foster community relationships.

Integrated Housing Infrastructure Programmes may therefore help avoid new mono-functional districts or the concentration of disadvantage. The objective should not be the simple production of reduced-price housing, but the creation of urban environments in which affordability is combined with quality of life, proximity to services and full participation in the city's economic and social life.

This approach is consistent with the United Nations New Urban Agenda and international policies linking housing, regeneration, mobility, social infrastructure and reduced environmental impact. **Regeneration is therefore simultaneously an urban planning objective, an environmental choice and a component of the programme's economic and financial balance.**

The implementation challenge is to avoid two opposite outcomes: regeneration remaining a purely programmatic statement without practical consequences, or the higher cost of reuse making programmes unviable precisely where regeneration need is greatest.

Success will depend on combining design quality, proportionate planning incentives, territorial facilities, public resources and private capital. Only in this way can limiting land take be accompanied by the delivery of genuinely affordable housing and sustainable, inclusive and socially vibrant urban ecosystems.

New Opportunities for PPPs, Funds and Institutional Capital

From the perspective of market operators, Integrated Housing Infrastructure Programmes create particularly relevant opportunities for real estate funds, institutional investors, pension institutions, occupational pension funds, affordable-housing specialists and parties active in public-private partnerships and large-scale urban regeneration.

The new instrument appears designed to support the transition from isolated regulated affordable housing projects to structured investment programmes capable of mobilising private capital within a framework of public objectives, contractual restrictions and long-term commitments. In this perspective, affordable housing may progressively acquire the characteristics of a stable investment platform, particularly suitable for institutional investors seeking long-duration assets, relatively predictable cash flows and measurable social impact.

The potential participation of pension and welfare institutions deserves particular attention, including through the contribution of real estate assets and participation in vehicles established to deliver or manage developments. This is consistent with affordable housing as long-term social infrastructure potentially capable of combining returns, prudent management, cash-flow stability and territorial impact. Such participation must, of course, comply with the investment rules applicable to each institution, statutory limits, diversification requirements and supervisory rules.

Public-private partnership may perform a central function without necessarily taking the form, in every case, of a concession under the Public Contracts Code. In a broader sense, PPP may be understood as a project-structuring method through which public land or buildings, private assets, urban planning agreements, real estate funds or project companies, impact-finance tools, guarantees, planning incentives and social-management obligations are combined in different ways according to territorial characteristics and local housing demand.

It is nevertheless necessary to distinguish PPP in the technical legal sense from the broader collaboration between public authorities and private capital. **Not every Integrated Housing Infrastructure Programme automatically constitutes a PPP under Legislative Decree No. 36/2023. Classification will depend on the actual structure of the operation, the existence of a public contract, the nature of the entrusted services, the operator's remuneration and the effective allocation of operating risk.** Where a development is promoted on private land and implemented primarily through an urban planning agreement, the relationship may remain within negotiated planning, albeit with a substantial public-private collaboration component.

The framework is also well suited to urban regeneration programmes involving multiple properties, development compartments or areas. Article 9 permits programmes to extend across different urban areas and throughout the full implementation period of the overall investment. **This allows the creation of territorial platforms broader than a single site, within which regulated affordable housing, market-rate housing, services, complementary uses and social infrastructure all contribute to overall sustainability.**

This possibility may also be economically significant. A programme covering several areas could combine projects with different cost, demand and value profiles, thereby mitigating some of the difficulties arising where construction or regeneration costs approach completed market values. Such a model requires genuine economic and functional unity, a common financial plan and governance capable of ensuring that more profitable components actually support those with a stronger social function, rather than merely producing accounting offsets.

Conversion also broadened the potential use of the regime applicable to major investment programmes. The original text required a foreign direct investment component of at least EUR 1 billion; that condition was removed during the parliamentary process. **The special regime is therefore no longer reserved for foreign-backed initiatives and may also apply to programmes financed by domestic operators, provided that the conditions set out in Article 13 of Decree-Law No. 104/2023 are met.**

This change shifts the focus from the origin of capital to the scale and strategic relevance of the programme. Where the regime applies, a declaration of paramount national strategic interest and the appointment of an Extraordinary Commissioner may be considered in order to coordinate the authorities involved and reduce the risk created by fragmented administrative procedures.

This opening gives the Housing Plan a dimension extending beyond traditional housing policy. **Integrated Housing Infrastructure Programmes may become a meeting point between real estate capital, infrastructure funds, institutional investors, pension capital and platforms specialising in affordable housing and build-to-rent. The aggregation of sufficiently large operations and, where applicable, access to administrative coordination tools may reduce authorisation risk and improve perceived bankability.**

It remains essential, however, that the opening to private capital does not alter the programme's public function. Investment attraction must be accompanied by robust agreements, effective controls, enforceable use restrictions, transparent beneficiary-selection criteria and governance models capable of preserving the balance between return, affordability and collective interest over time.

The challenge is therefore to transform private capital from a mere source of finance into a component of a long-term urban partnership. In such a model, the public authority does not merely authorise, the investor does not merely provide resources and the operator does not merely construct: each party contributes, according to its role, to the creation and management of stable social infrastructure within a wider territorial-development strategy.

Structured Finance and the Potential De-Risking Function of the 5P Model

A further area of interest concerns the possible financial structuring of Integrated Housing Infrastructure Programmes. The requirement that they be implemented primarily through private investment, together with the obligation to ensure economic and financial balance, allows Article 9 to be read not only as an urban planning and construction provision, but also as a basis for creating financeable, bankable and, where appropriate, refinancable transactions.

Housing differs in certain respects from other forms of social or collective infrastructure. Housing demand concerns a primary and generally continuous need and, where a portfolio is sufficiently large, diversified and professionally managed, rental income may generate relatively predictable periodic cash flows. This may improve the risk profile of the transaction compared with projects whose revenues depend more heavily on demand volatility, seasonality or discretionary use.

This should not, however, lead to an underestimation of the risks specific to regulated affordable housing. Investment sustainability may be affected by default, vacancy, changing beneficiary eligibility, rigid allocation procedures, operating and maintenance costs, rent regulation, the duration of contractual restrictions and administrative risk linked to the stability of municipal agreements. Construction risk, interest rates, the cost of capital and the relationship between production cost and market value must also be taken into account.

For this reason, financeability cannot be assessed solely by reference to the existence of rental income. It is necessary to examine the legal quality of receivables, their actual assignability, contractual stability, predictability of collections, the ability to replace tenants, treatment of arrears and compatibility between lender rights and the social restrictions imposed by law and the urban planning agreement.

Where cash flows are sufficiently stable and legally capable of supporting financing, structures based on portfolio revenues may be considered. Depending on the operation, these may include bond issues, private debt, asset-backed financing, project bonds, dedicated compartments within real estate funds or securitisation transactions. The chosen instrument must be assessed case by case and coordinated with the nature of the assets, the ownership structure, the contractual framework and the obligations arising under the urban planning agreement.

Not every cash flow generated by a regulated affordable housing programme is automatically assignable, capable of segregation or suitable as the underlying asset of a financial transaction. Compatibility must be assessed with the thirty-year restriction, limitations on the transfer of dwellings and contracts, mechanisms for setting and updating rents, any public resources involved and the applicable banking, financial and securitisation rules.

The distinction between development finance and operating-phase refinancing is also important. During construction, authorisation, technical, cost-escalation and completion risks predominate. Once the portfolio has been completed and stabilised, the principal risks may instead concern occupancy, the regularity of collections, management quality and the resilience of housing demand. The financial structure should therefore be adapted to each stage of the programme life cycle.

In this context, the **5P model — Public, Private, People, Policy, Partnership** — may be relevant not only as a political or institutional description, but as a criterion for organising and mitigating risks. The public component may reduce administrative uncertainty through a clear definition of the public interest, alignment with planning instruments and stability of the agreement. The private component provides capital, development capability, technical expertise and financial discipline.

The involvement of people and stakeholders helps verify real demand and reduces the risk that the proposed supply does not reflect local needs. Policy ensures consistency with public strategies for housing, mobility, regeneration and sustainability. Partnership provides the architecture through which obligations, responsibilities, risks and remedies are allocated.

Stakeholder involvement may produce effects extending beyond preliminary consultation. In more advanced models, participation can be incorporated into permanent governance structures through advisory bodies, territorial committees, reporting systems and impact-assessment mechanisms.

The People component is thereby not external to the vehicle or operator, but contributes to decision-making and to the monitoring of social outcomes.

The 5P model may therefore perform a legal, administrative, financial and social de-risking function. A well-structured agreement, a verifiable economic and financial plan, efficient beneficiary-selection procedures, monitoring systems, tenant-replacement mechanisms, clear rules for the management of cash flows and structured participation can reduce uncertainty and improve overall project quality.

It is important, however, that de-risking should not be understood as a general transfer of risk to the public sector. Mitigation should result from better project design, appropriate allocation of responsibilities and reduced information asymmetry, not from the elimination of ordinary business risk. Private capital must remain exposed to the risks it is able to control, while the public authority should assume or mitigate only those connected with its own powers, public decisions or public-interest objectives.

Integrated Housing Infrastructure Programmes may, in this perspective, support the gradual formation of a specific affordable-housing asset class. This will be possible only if financial structuring remains consistent with the social purpose and affordability obligations established by law. Finance should not transform housing need into a mere economic underlying asset, but should channel long-term capital towards socially useful, legally governed and territorially sustainable programmes.

The combination of multi-decade contractual restrictions, potentially stable rental cash flows, public-private governance and de-risking tools may represent one of the most significant developments under the new framework. Legal and financial structuring must, however, be designed from the outset consistently with Article 9, the rules applicable to the chosen instruments and the protection of the programme's social function.

The Urban Planning Agreement as an Instrument of Collaborative Governance

One of the most significant interpretative aspects of Integrated Housing Infrastructure Programmes is the possibility of viewing the urban planning agreement not only through the traditional categories of negotiated planning, but also as an instrument of territorial governance capable of coordinating multiple interests, parties and responsibilities.

The framework pursues an objective that extends beyond the construction of buildings: ensuring a long-term supply of sustainable and affordable housing that responds to community needs. This requires the involvement of public authorities, investors, operators, managers, beneficiaries and territorial stakeholders. The programme cannot therefore be governed exclusively through unilateral administrative action, nor can it be entrusted solely to market dynamics.

From this perspective, the principle of horizontal subsidiarity under Article 118(4) of the Italian Constitution is relevant. It requires public institutions to support the autonomous initiative of citizens, acting individually or collectively, in activities of general interest. The principle provides a general point of reference for the evolution towards more collaborative forms of administration, in which the pursuit of the public interest is not necessarily reserved to unilateral public action.

Article 55 of the Third Sector Code and Constitutional Court Judgment No. 131 of 2020 represent an important development of this approach by recognising co-programming and co-design as forms of shared administration. These instruments, however, operate within a specific legal framework and in relationships with Third Sector entities. They cannot be transferred automatically to relations between municipalities, developers and real estate investors, nor can they be used to remove procurement procedures or economic transactions from competition rules.

The reference to shared administration should therefore be understood in methodological terms, rather than as an automatic legal classification of Integrated Housing Infrastructure Programmes. It highlights the need to complement the bilateral relationship between the public authority and the economic operator with broader forms of consultation, participation and stakeholder responsibility, without prejudice to planning law, the principles of impartiality, transparency and competition and, where applicable, public procurement law.

References to Legislative Decree No. 36/2023 must also be precise. Article 6 of the Public Contracts Code does not govern the general principle of trust, which is set out in Article 2, but the principles of solidarity and horizontal subsidiarity in relationships with Third Sector entities. It confirms that, where the relevant conditions are met, administrative models other than market exchange may exist. This does not mean, however, that a real estate transaction promoted by an economic operator automatically falls within those models.

Within Integrated Housing Infrastructure Programmes, the urban planning agreement remains, first and foremost, an agreement governing territorial transformation, the obligations of the implementing entity, regulated prices and rents, the duration of restrictions, public facilities and control systems. Its function may, however, be broader: it may become the instrument through which investment sustainability, social objectives, community needs and long-term management are coordinated.

The agreement may regulate the geographical and functional scope of the programme, its functional structure, implementation arrangements, risk allocation, monitoring obligations, access criteria, controls and the consequences of non-compliance. It may also establish mechanisms for engagement with beneficiaries, social operators, local associations and other stakeholders, particularly where the programme includes services, collective spaces or community functions.

Participation should not be limited to an occasional consultation before approval. It may be structured throughout the project life cycle, from identifying housing need and defining services to monitoring management and social impact. The agreement may accordingly impose reporting obligations, periodic evaluation systems and permanent territorial forums.

The agreement thus becomes the instrument through which a dynamic balance is sought between the public interest, economic sustainability and community needs. The public authority does not merely grant development capacity or impose restrictions; it participates in defining a territorial ecosystem in which capital, public policy, housing demand and services are coordinated within a unified programme.

It is from this perspective that **the 5P model — Public, Private, People, Policy, Partnership** — may acquire an operational basis. It is not a new legal category or an alternative to planning and competition rules, but a governance method. The public component defines and protects the public interest; the private component provides capital and delivery capacity; the community contributes to identifying needs and monitoring outcomes; Policy ensures consistency with territorial strategies; and Partnership provides the stable structure through which these elements are coordinated.

Integrated Housing Infrastructure Programmes should therefore not be treated as simple real estate transactions accompanied by a social component. They may become instruments through which institutions, investors, operators, managers and communities contribute, in different roles, to the delivery of social infrastructure intended to generate economic, urban and collective value over the long term.

The implementation challenge is to translate this approach into concrete administrative and contractual practice capable of providing certainty to investors, protecting the public interest and ensuring effective community participation. Only then can the urban planning agreement evolve from a regulatory instrument for development into a genuine platform for territorial governance.

Housing as Social Infrastructure: The International Framework

The development of the Italian debate on affordable housing cannot be understood in isolation from the broader transformations taking place internationally. In recent years, housing has progressively moved beyond the traditional fields of social policy and residential planning to assume growing importance within strategies for economic development, territorial competitiveness, urban resilience and sustainability.

Housing is no longer regarded solely as a real estate asset or a welfare measure, but increasingly as genuine social infrastructure capable of influencing labour mobility, the attraction and retention of talent, urban productivity, social cohesion and quality of life within communities. Housing affordability therefore becomes a condition for the proper functioning of cities and territories, particularly in markets characterised by high property pressure, labour mobility and a concentration of services, universities and productive activities.

A fundamental point of reference is the New Urban Agenda, adopted at the United Nations Habitat III Conference, which recognised the central role of housing in building inclusive, resilient and sustainable cities. **The New Urban Agenda helped consolidate the principle that housing policy cannot be addressed separately from infrastructure, mobility, access to services, environmental sustainability and territorial governance.**

This approach has been further developed through the work of UN-Habitat, which promotes increasing integration between housing, urban regeneration, social inclusion, climate resilience and local economic development. Housing is thereby placed within broader sustainable urban-development strategies rather than reduced to the production of residential units.

The same dynamics emerged in the debate at the Thirteenth World Urban Forum, where affordable housing, metropolitan governance, resilience, urban regeneration and access to services were treated as interdependent aspects of a common challenge. Housing is not considered separately from settlement quality, administrative capacity, social infrastructure and community participation in urban transformation.

The growing alignment between public institutions, international organisations, real estate operators and investors was further confirmed **by the signing, during the 76th FIABCI World Real Estate Congress in Vienna, of a Memorandum of Understanding between FIABCI — The International Real Estate Federation — and UN-Habitat. The agreement seeks to strengthen cooperation on sustainable urban development, housing affordability, urban regeneration and implementation of the New Urban Agenda, demonstrating the increasing convergence between the international real estate sector and the institutions shaping future urban policy.**

Housing has also acquired unprecedented importance at European level. **Affordability is increasingly recognised as a structural issue** affecting not only social cohesion, but also economic competitiveness, labour mobility, the environmental transition and the ability of cities to attract and retain people and activities.

This context includes the development of a European Affordable Housing Plan and the work of the European Parliament's special HOUS Committee, established to examine possible initiatives concerning affordable housing, investment, urban regeneration and sustainability. While housing and planning competences remain primarily national and local, the European debate increasingly treats housing as a significant component of the Union's economic, social and territorial policies.

Taken together, these initiatives reveal a major cultural and institutional transformation. Housing is progressively being assimilated to other forms of strategic infrastructure serving the general interest, such as transport systems, energy networks and digital, healthcare and educational infrastructure. This opens the way to institutional investment, public-private partnerships, blended finance and multi-level governance.

That comparison nevertheless requires caution. Describing housing as infrastructure does not remove it from the rules of the real estate market, nor does it mean that every residential development automatically performs a social or infrastructure function. Qualification depends on the ability to ensure affordability, long-term stability, integration with services, consistency with territorial need and measurable collective benefit.

Within this international context, **the Italian Housing Plan** may be regarded as one of the first national applications of this evolution. Integrated Housing Infrastructure Programmes, the participation of private and institutional capital, affordability obligations, thirty-year restrictions and administrative coordination mechanisms place the framework within a broader trend that treats housing not merely as a sectoral policy issue, but as an essential component of territorial development.

The Housing Plan is therefore not merely a reform of the residential sector. It may be understood as an initial attempt to translate into the Italian context several major directions emerging internationally: **integration between housing and services, limitation of land take, urban regeneration, mobilisation of long-term capital, impact measurement and new forms of territorial governance.** Its actual consistency with this paradigm will depend on the ability to move from the formal classification of programmes as "infrastructure" to the delivery of projects that genuinely combine affordability, urban quality, financial sustainability and the public interest.

The Potential Role of Pension Institutions

Among the parties potentially interested in the opportunities created by the Housing Plan, particular attention should be given to pension institutions, professional pension funds and occupational retirement schemes. **The structure of Integrated Housing Infrastructure Programmes may be consistent with the role of pension investors as providers of long-term capital seeking stable and predictable cash flows compatible with their obligations towards members and beneficiaries.**

The issue is particularly relevant in light of the European framework and **Directive (EU) 2016/2341, known as IORP II,** on the activities and supervision of institutions for occupational retirement provision. **European law requires investment decisions to be taken in the best interests of members and beneficiaries and in accordance with the principles of prudence, diversification, appropriate risk management and consistency with the duration of pension liabilities.**

The prudent person principle is central in this context. It does not impose predetermined asset categories or prescribe a specific portfolio allocation, but requires **each investment decision to be assessed by reference to the institution's risk profile, liability structure, diversification needs and investment horizon.**

Affordable housing and social infrastructure may be compatible with these requirements. Integrated Housing Infrastructure Programmes extend over multi-decade periods, are subject to long-term contractual restrictions and, where predominantly rental-based and properly managed, may generate periodic income that is less dependent on short-term speculative dynamics than other forms of real estate investment.

Long-duration cash flows may support better alignment between assets and liabilities within Asset Liability Management strategies. In general terms, an investment producing income over several decades may contribute to the temporal matching of pension obligations, subject to an assessment of return, liquidity, risk and consistency with the investment policy of the individual institution.

It must not, however, be assumed that a thirty-year restriction automatically produces stable or predictable returns. **The financial quality of the investment will depend on effective demand, regulated rent levels, default, vacancy, operating and maintenance costs, the initial cost of construction or regeneration, regulatory developments and the strength of the urban planning agreement.**

Particular attention is required in markets where production costs approach or exceed the value of the completed property. In such contexts, the social purpose alone does not make the investment viable, and public resources, guarantees, planning incentives, property contributions on favourable terms or subsidised finance may be necessary. For a pension investor, social impact does not replace the need for a risk-adjusted return consistent with fiduciary duties towards members.

International experience shows that pension funds and institutional investors can play a significant role in housing, student accommodation, senior housing, social infrastructure and urban regeneration. Such investments are normally made through professional platforms, sufficiently diversified portfolios, specialist operators and governance arrangements capable of monitoring both financial performance and social outcomes.

In Italy, the Housing Plan may create more favourable conditions for pension capital to enter the affordable-housing sector. Long-term agreements, rent-setting criteria, recorded restrictions, monitoring systems and multi-project programmes may improve standardisation and financial transparency.

To achieve this, the isolated single-project model will often need to be overcome. Pension investors generally require adequate scale, geographic and typological diversification, professional governance, reliable data, transparent valuation rules and the ability to monitor both risk and outcomes over time. **Platforms, funds or aggregated portfolios may therefore be more consistent with institutional requirements than direct participation in small individual projects.**

The issue extends beyond finance. Pension investment in housing may, within a prudential framework, pursue returns, asset stability and social impact while contributing to infrastructure essential to the functioning of urban and metropolitan areas.

There may also be an alignment between pension and territorial objectives. Resources accumulated over the long term to provide future benefits may, subject to prudential rules, be invested in assets that generate income while improving housing conditions, labour mobility and service quality. This convergence must not be presented as automatic. Pension institutions cannot be treated as substitutes for public expenditure or expected to finance unviable operations merely because they have a social purpose. Pension capital can participate only where programmes offer credible economic and financial balance, appropriate risk allocation, adequate governance and returns consistent with members' interests.

Affordable housing may therefore consolidate as a potential asset class capable of attracting patient institutional capital, but only where the social dimension is accompanied by professional standards of investment, management, valuation and monitoring.

The evolution of European policies, the emergence of new affordable-housing instruments and the introduction of Integrated Housing Infrastructure Programmes may support a gradual convergence between housing policy and pension investment strategies. Success will depend on the creation of operations of sufficient scale, diversification, transparency and bankability, in which territorial impact is not opposed to financial sustainability but forms a structured and measurable component of it.

Impact Measurement and Possible Social Impact Credits

One of the least explored but potentially most innovative aspects of the evolution of housing policy concerns the ability to measure, report and value the social impact generated by investment in affordable housing.

Traditionally, the value of a real estate investment is represented through economic and financial indicators such as return, asset value, cash flow, occupancy, contract duration and capital appreciation. In the case of affordable housing, these indicators remain essential, but they do not capture the full value created by the development.

The availability of economically sustainable housing may produce effects extending well beyond the real estate sector. It may reduce housing exclusion, improve access to employment and services, support territorial mobility, enable students and workers to live close to places of study and employment, help younger people remain in urban areas and contribute to family and community stability.

Indirect benefits may also arise for public authorities and the economy, including reduced pressure on emergency services, greater continuity of employment, an improved ability of businesses and public services to attract staff, reduced commuting and more effective reactivation of degraded or underused urban areas.

These are economically and socially material benefits, but they are rarely represented systematically in traditional investment models. A significant portion of the value generated by affordable housing may therefore remain outside the economic and financial plan and be insufficiently recognised by investors and public authorities.

The development of sustainable finance and ESG reporting has increased attention to impact measurement. Environmental performance benefits from relatively more established tools, taxonomies and methodologies. Social impact remains less standardised and requires particular care in defining indicators, verifying results and assigning any economic value.

Affordable housing may provide an important laboratory for innovation. **Integrated Housing Infrastructure Programmes have characteristics that allow relatively structured measurement,** including the number and type of dwellings delivered, the gap between regulated and market prices or rents, the duration of restrictions, the number and profile of beneficiaries, occupancy, housing stability, proximity to employment and education and the presence of services of collective interest.

Output indicators should nevertheless be accompanied by outcome indicators and, where possible, impact indicators. It is not sufficient to count the dwellings delivered or calculate the nominal rent discount. It is necessary to determine whether the programme has actually improved housing affordability, reduced the housing-cost burden, facilitated labour mobility, increased beneficiary retention in the territory or reduced indirect social costs.

Measurement should also clearly distinguish effects directly attributable to the programme from results influenced by external factors. This distinction is necessary to avoid overstatement, duplication and social washing. Impact should not be claimed solely on the basis of project intentions, but established through pre-defined indicators, verifiable data, transparent methodologies and independent controls.

Against this background, consideration may be given to the development of a system of Social Impact Credits or certified social-impact units. The expression “Social Credits” should, however, be used with caution, because it does not currently identify a single legal or financial category and may create ambiguity with individual-rating systems or instruments used in other jurisdictions for different purposes. **It would therefore be preferable to refer to social-impact credits, units or certificates and to define expressly their nature, function and limitations.**

Such units could represent standardised and verified social outcomes, such as a specified number

of affordable housing-years, a documented reduction in the housing-cost burden compared with market conditions, the inclusion of categories identified by the programme or the maintenance of specific affordability levels over time.

Their initial function should be primarily informational, comparative and reporting-based. They could allow comparison between programmes, document the contribution made by investors, verify compliance with contractual objectives and link incentives or forms of performance-based finance to results actually achieved.

Only at a later stage, and within a sufficiently robust framework, should broader economic or financial valuation be considered. The comparison with carbon credits may be conceptually useful, but should not be treated as automatic. Carbon emissions are measured through relatively homogeneous physical units, whereas social impact is multidimensional, context-dependent and not always readily fungible or comparable.

Any transferable market in social-impact credits would therefore require rigorous rules on additionality, verification, duration, causal attribution, prevention of double counting and independence of certification. Without these safeguards, there would be a risk of creating nominal instruments that are poorly comparable or represent impacts not actually achieved.

A fundamental distinction should be drawn between impact measurement and impact monetisation. Measurement is already both possible and desirable. Monetisation requires a higher degree of standardisation and should avoid reducing complex social benefits to a single monetary value without an adequate methodological basis.

The objective should not be to convert social impact into an automatic subsidy or a substitute for public housing policy. The principal function should be to make the value created by public-interest developments more visible, comparable and verifiable.

A credible measurement system could improve integration between institutional investors, public authorities, real estate operators, lenders and communities. Traditional economic indicators would be complemented by a more complete account of value creation, useful both in selecting investments and monitoring implementation.

Impact measurement may also become relevant to the financial structuring of programmes. **Pre-defined and verified social outcomes could be linked to reductions in the cost of capital, variable remuneration, guarantees, public contributions or impact-finance instruments.** Social performance would thereby become part of the financial architecture rather than remaining external to it.

This approach is linked to the 5P model. The public component can define public-interest objectives and verification criteria; private capital can link part of its financial strategy to the results achieved; the People component can contribute to identifying needs and assessing actual effects; Policy ensures consistency with housing and territorial strategies; and Partnership organises data collection, monitoring, certification and use of results.

Integrated Housing Infrastructure Programmes may therefore provide a particularly suitable environment for piloting social-impact measurement methodologies involving public authorities, investors, universities, independent valuers and international organisations.

Housing would thus be regarded not only as a real estate asset or welfare instrument, but as infrastructure capable of producing measurable economic, urban and collective benefits. The ability to measure and certify such benefits may represent one of the next frontiers in the integration of housing, sustainable finance and territorial development.

Impact valuation must, however, remain subordinate to the actual production of impact. Before creating tradable credits or complex financial instruments, a shared, verifiable and prudent methodology must be developed. Only on that basis should possible Social Impact Credits be considered as tools of governance, reporting, impact finance or risk mitigation for affordable-housing investment.

From Legislation to Implementation: An Operational Blueprint for Integrated Housing Infrastructure Programmes

The regulation of Integrated Housing Infrastructure Programmes provides an innovative legal framework, but practical implementation requires an orderly process capable of coordinating housing-need analysis, urban planning, ownership structure, design, economic and financial sustainability, the urban planning agreement with the municipality, financing, management and impact monitoring.

The process should not begin with a fully developed building project to which a regulated affordable housing quota is added at a later stage. From the outset, the programme should be conceived as a unified investment in which affordable housing is the central element and the other uses contribute to its sustainability and overall urban quality.

Implementation may be organised as a sequence of closely connected stages. Each stage should produce verifiable outputs and allow the parties, before making irreversible commitments, to determine whether the legal, planning and economic conditions for proceeding are satisfied.

Identifying Housing Need

The starting point should not be the availability of a site, but the existence of a concrete, localised and sufficiently stable housing need.

It is necessary to determine which groups face the greatest difficulties in accessing the open market, the proportion of disposable income absorbed by housing and which forms of supply are actually lacking. The assessment should distinguish, for example, demand from families, young couples, university students, workers living away from home, personnel employed in public and private services and seasonal workers

Need cannot be quantified solely through general demographic data. It must take account of rent and price trends, income levels, absorption periods, public transport availability, the location of employment, healthcare and university hubs and any seasonal demand.

A proper needs assessment also mitigates vacancy risk. The social purpose of the programme does not itself guarantee that effective demand will correspond to the number, size and location of the proposed units. A poorly calibrated offer may result in continuing housing need alongside units that do not meet the practical requirements of intended beneficiaries.

An initial dialogue should also be opened with the municipality, local operators, businesses, universities, healthcare institutions, trade associations and other parties capable of representing demand. Stakeholder involvement does not replace technical analysis, but supplements it with qualitative evidence and assists in verifying whether need will remain stable over the medium and long term.

Selecting the Territorial Context

Once the housing need has been established, the territorial context must be selected. The programme may concern a single site, several functionally connected properties or multiple areas forming part of a unified programme.

Physical availability is insufficient. Ownership, real rights, restrictions, encumbrances, occupations, disputes, third-party rights and any other conditions capable of preventing or delaying development must be examined.

Planning and building-law due diligence is particularly important. It should establish the existing use, development capacity, the lawful status of the existing property, the need for planning variations, consistency with higher-level plans, the presence of landscape, environmental, hydrogeological and cultural restrictions and the adequacy of infrastructure and planning standards.

Transformation costs must also be assessed. In regeneration projects, the apparent value of a site may be reduced or eliminated by remediation, demolition, structural works, seismic upgrading, energy refurbishment, hazardous materials or expensive infrastructure.

Selection must therefore be based on an integrated assessment. A site may be suitable in planning terms but economically unsustainable; financially attractive but lacking connections and services; or located in an area of strong housing demand but with market values unable to support production costs.

Defining the Programme and the Functional Mix

Once the territorial context has been identified, the programme structure must be defined. The project should clearly distinguish regulated affordable housing, any market-rate residential component and non-residential uses.

The mix should not be determined solely by the objective of maximising real estate value. It must respond simultaneously to housing need, urban quality and investment sustainability.
Regulated affordable housing may include long-term rental, controlled-price ownership, student residences, accommodation for workers living away from home and solutions for seasonal demand. Each segment has different economic and operational characteristics and requires specific beneficiary-selection methods, contract durations, services and control systems.

Market-rate housing may contribute to the economic and financial balance of the project, but should not become the dominant element. Similarly, retail, offices and educational, healthcare, sports and neighbourhood services may improve programme quality and generate additional income, provided that they respond to actual demand and are not included solely to support the social component in accounting terms.

The functional mix must also be considered over time. Housing delivery should be coordinated with infrastructure, services and collective spaces. The programme should prevent the most profitable component from being completed first while regulated affordable housing or public facilities are deferred to later stages without adequate safeguards.

Verifying the 70 Per Cent Requirement

The programme structure must be tested from the outset against the minimum investment requirement for regulated affordable housing.

The parameter is economic and does not necessarily coincide with area, volume or number of units. A cost framework is therefore required that distinguishes expenditure attributable to the regulated affordable housing component, market-rate housing, shared costs and investment in non-residential uses.

Particular attention should be given to land value, urbanisation charges, shared works, professional fees, financing costs and development-management expenses. In the absence of clear criteria, differing interpretations may arise and make compliance difficult to verify.

The allocation methodology should be defined in the urban planning agreement and reflected in the economic and financial plan. Compliance should not be assessed only at programme approval, but updated following variations, revisions of the cost plan and major stages of progress.

The minimum percentage must be treated as a structural condition of the operation. Any change capable of altering the distribution of investment between regulated affordable housing and market-rate housing should be assessed before approval and, where necessary, accompanied by corrective measures.

The Integrated Preliminary Feasibility Study

Before developing the complete project, an integrated preliminary feasibility study should be prepared, coordinating the planning, technical, legal, economic, financial and social aspects of the programme.

The study should describe the identified need, the characteristics of the context, the intervention model, the functional mix, the number and type of dwellings, estimated costs, implementation timetable, available resources, required authorisations and principal risks.

It should also include a preliminary assessment of regulated prices and rents, market values, the relationship between production cost and final value and the programme's ability to achieve a sustainable balance.

This stage is especially important in markets where construction or regeneration costs approach market value. In such circumstances, the statutory reduction in prices and rents may create a structural loss that cannot be offset by market-rate housing alone.

The preliminary study should therefore identify any requirement for public grants, planning incentives, reductions in charges, favourable land contributions, guarantees or low-cost finance. The objective is to prevent such needs from emerging only after design or planning procedures have already commenced.

Developing the Economic and Financial Plan

The economic and financial plan is a central programme instrument. It should not merely demonstrate formal cost coverage, but transparently represent the entire economic life cycle of the development.

It should include acquisition or contribution of land, remediation, design, construction, planning charges, professional fees, financing costs, construction and absorption periods, management, maintenance and any social or administrative costs connected with beneficiary selection and monitoring.

For rental housing, the plan should estimate rents, occupancy, default, management costs, ordinary and extraordinary maintenance, taxation, insurance and reserves required throughout the restriction period.

For housing intended for sale, it should address sales periods, price limits, restrictions on subsequent transfers and any difference between costs incurred and achievable revenue. Alternative scenarios and sensitivity analyses should be prepared. Construction-cost increases, authorisation delays, falling market values, rising interest rates or higher vacancy may materially alter the initial balance.

The plan should also identify which risks are assumed by the implementing entity, which are transferred to contractors, which may be mitigated through guarantees or insurance and which depend on decisions or conduct of public authorities.

Selecting the Implementing Entity and Corporate Structure

Programme delivery requires the identification of an implementing entity and, in more complex cases, a dedicated corporate structure.

The vehicle should be consistent with the nature of the operation, capital-raising methods and subsequent property management. Relevant structures may include project companies, real estate funds, operating companies, joint ventures between owners and investors and other vehicles permitted under applicable law.

The structure should clearly separate development, construction, ownership and management responsibilities. These functions need not all be performed by the same entity, but must be coordinated through coherent contracts and adequate governance.

Constitutional documents, shareholder agreements and financing arrangements should reflect the long-term restrictions agreed with the municipality. Transfers of interests, properties or contractual relationships cannot be regulated without regard to the regulated use of the housing and the recorded obligations.

Particular attention should be paid to conflicts of interest between the developer, investor, manager, contractor and related parties. Related-party transactions, procurement of works and services, remuneration and distribution of cash flows should be subject to transparency and control rules.

Preliminary Dialogue with the Municipality

Dialogue with the public authority should begin before the programme is finalised. A technically complete proposal that is inconsistent with territorial priorities may encounter difficulties that cannot be resolved at the final stage.

Preliminary discussions should address housing need, the territorial scope, the functional mix, possible planning variations, incentives, public works, value-setting criteria and control systems. This stage must not improperly predetermine administrative decisions, but may reduce uncertainty and enable the operator to understand which conditions the municipality considers necessary for recognition of the public interest.

The municipality should, in turn, possess sufficient expertise to assess the economic and financial plan, costs, rent structure, rental risk and the capacity of the implementing entity. Where such expertise is lacking, independent technical, legal, financial and valuation support may be appropriate.

The Urban Planning Agreement

The urban planning agreement is the principal regulatory instrument of the programme. It must translate the general framework of Article 9 into a concrete system of rights, obligations, controls and remedies.

It should define the geographical and functional scope of the programme and distinguish the regulated affordable housing, market-rate and non-residential components. It should regulate prices and rents, indexation, duration of restrictions, beneficiary-selection arrangements and disclosure obligations.

The agreement should also govern compliance with the 70 per cent requirement, cost allocation, implementation phases, urbanisation works, services, guarantees, municipal controls and the consequences of breach.

Timing is central. The agreement should establish deadlines for commencement and completion, links between different phases, conditions for the issue or effectiveness of authorisations and safeguards preventing selective implementation of only the most profitable elements.

It should also address supervening events. A thirty-year duration makes legal, economic and territorial change inevitable. Any review mechanisms should be specific, transparent and compatible with mandatory legal requirements, without becoming a public guarantee of investment profitability.

Risk Allocation

The programme should include a risk matrix identifying, for each event, the party best able to prevent, control or absorb the consequences.

Planning and authorisation risk cannot be transferred entirely to the operator where it depends on public decisions, but the private party should bear the consequences of incomplete or non-compliant design.

Construction risk should be allocated through appropriate contracts to the party responsible for design and execution. Demand and management risk should fall primarily on the implementing entity or manager, save for expressly provided public-support mechanisms.

Risk relating to beneficiary eligibility should be managed through verification procedures, disclosure obligations, periodic updating and replacement mechanisms. Vacancy risk should be addressed by correctly calibrating supply and, within legal limits, allowing flexibility between eligible housing uses. Proper risk allocation is not the same as a general transfer of risk to the public sector. Each risk should be assigned to the party that can manage it most effectively, avoiding both the assumption of ordinary business risk by the authority and the imposition on the operator of risks arising solely from public delay or decisions.

Financial Structuring

Once the planning and contractual structure has stabilised, the programme must be translated into a financial structure consistent with the different stages of the investment.

The development phase requires risk capital and financing capable of absorbing authorisation and construction risk. The operating phase may support longer-term finance based on the stability of rental cash flows.

Capital may be provided by developers, funds, institutional investors, pension institutions, impact investors or public and quasi-public instruments. Debt may be structured through bank finance, private debt, bonds or other solutions consistent with the nature and scale of the operation.

Where programmes achieve sufficient scale and diversification, refinancing of operating cash flows or receivables may be considered. This requires careful assessment of assignability, contractual stability, limitations arising from the agreement and applicable financial law.

Financial structuring should not place excessive pressure on operations. Leverage that is incompatible with regulated rents may leave the programme vulnerable even to moderate changes in interest rates, vacancy or costs.

Design and Authorisations

Design must coherently develop the planning, architectural, energy, social and management components of the programme.

Dwellings should be sized by reference to actual demand and designed for flexibility, manageable operating costs, durability and adaptability over time. Reducing initial cost should not create higher maintenance burdens during the restriction period.

Energy performance and environmental sustainability require particular attention. For beneficiaries already affected by high housing costs, excessive service and energy charges may undermine real affordability even where rent is regulated.

The authorisation process should be mapped comprehensively, identifying competent authorities, opinions, permits, restrictions and expected timing. Complex programmes may require a steering group or coordination mechanism between the authorities involved.

Beneficiary Selection

Management of eligibility requirements is an essential programme component, not an ancillary administrative activity.

Transparent procedures should be defined for applications, document verification, waiting lists or rankings, contract execution and subsequent monitoring.

The agreement and contracts should incorporate obligations to disclose changes in economic and asset position. They should also regulate the consequences of exceeding the thresholds and the conversion, termination or reallocation mechanisms provided by law.

The system must protect personal data while ensuring effective controls. Verification cannot rely solely on initial declarations that are never updated, particularly where restrictions and benefits continue for many years.

Property and Social Management

The operating phase must be designed at the same time as the development. A programme that is economically viable during construction may become inefficient if the management of housing, services and common areas is not professional.

The manager will need to handle letting, rent collection, default, maintenance, beneficiary relations, controls and reporting. More complex programmes may also require social-support functions, mediation and community management.

These costs must be reflected in the economic and financial plan and not treated as marginal. Management quality directly affects occupancy, asset preservation, cash-flow stability and social impact.

Economic, Social and Environmental Monitoring

Implementation should be accompanied by a monitoring system capable of assessing not only physical and financial progress, but also preservation of the programme's social purpose.

Monitoring should cover compliance with the 70 per cent requirement, actual costs, applied prices and rents, the number of allocated units, occupancy, default, duration of tenancies and beneficiary eligibility.

These indicators should be supplemented by measures relating to urban quality, energy performance, access to services and territorial effects. Reporting should be periodic, comparable and, at least for the most material matters, independently verified.

Monitoring may also be relevant to lenders and investors. Achievement of defined social and environmental objectives may be linked to financing terms, guarantees, variable remuneration or impact-finance instruments, provided that the indicators are clear and verifiable.

Participation and the 5P Model

Community and stakeholder involvement should accompany the entire programme life cycle. It should not be limited to initial consultation, but may concern the identification of need, design of services, management of collective spaces and evaluation of results.

The 5P model — Public, Private, People, Policy, Partnership — may become an operational governance criterion.

The public component defines objectives, oversees planning and monitors restrictions. The private component provides capital, design, delivery and management capacity. The community contributes to identifying need and verifying actual usefulness. Policy links the programme to housing, planning, environmental and social strategies. Partnership organises responsibilities, decisions, controls and remedies over time.

Stakeholder involvement may be structured through advisory bodies, territorial forums, reporting systems and periodic reviews. In more advanced models, these tools may be integrated into the governance of the vehicle or manager without compromising corporate and administrative responsibilities.

A Progressive Sequence of Decisions

An Integrated Housing Infrastructure Programme should not be treated as a single linear procedure, but as a sequence of progressive decisions.

Initial verification of need and territorial context should be followed by a preliminary feasibility decision. More costly design work should begin only after planning due diligence and preparation of an initial economic and financial plan.

Finalisation of the urban planning agreement, confirmation of financing and receipt of authorisations should be conditions for moving to execution. Similarly, commencement of individual construction phases should depend on the availability of resources and certainty that linked works and services will be delivered.

This approach reduces the risk of committing substantial resources to programmes lacking essential conditions and makes dialogue between the operator, municipality and lenders more transparent.

From Feasibility to Replicability

The true potential of Integrated Housing Infrastructure Programmes lies not only in individual developments, but also in the creation of replicable models.

This will require sufficiently standardised urban planning agreements, cost-allocation criteria, economic and financial plan structures, beneficiary-selection procedures and monitoring systems.

Standardisation must not disregard territorial differences. Values, costs, demand and planning rules vary significantly across Italy. Nevertheless, common models may reduce structuring costs, assist municipalities, improve investor understanding and facilitate the aggregation of projects into territorial or national platforms.

The operational blueprint is therefore the necessary bridge between law and market. The framework is potentially innovative, but its effectiveness will depend on the ability to translate general principles and social restrictions into processes that are technically robust, financially sustainable and administratively manageable.

The challenge is not only to deliver affordable dwellings, but to create programmes in which housing need, territory, capital, services and community are integrated within a single long-term architecture. Only then can Integrated Housing Infrastructure Programmes become an effective platform for urban regeneration and a new form of social infrastructure for cities.

Conclusions

From PPP to 5P: Towards a New Generation of Social Infrastructure

The 2026 Housing Plan is not merely a measure intended to increase housing supply or encourage new regulated affordable housing projects. The introduction of Integrated Housing Infrastructure Programmes signals a possible change in the way affordable housing is planned, financed, delivered and managed.

The principal innovation is to place housing within a broader infrastructure and territorial strategy. Housing is not considered solely as welfare or a real estate segment, but as a condition for labour mobility, the attraction of students and skills, urban competitiveness, social cohesion and the proper functioning of services.

The framework gives private capital a central role, but places it within a system of public objectives, affordability restrictions, long-term obligations and administrative control. The result is neither a simple extension of negotiated planning nor the automatic application of PPP in the technical legal sense. It creates a space in which private initiative, public planning, financial sustainability and social need must be coordinated within a unified programme.

From this perspective, the traditional PPP model may evolve towards the wider 5P paradigm — Public, Private, People, Policy, Partnership. The public component defines and protects the public interest; the private component provides capital, design, delivery and management capacity; People connect the programme to actual community needs; Policy ensures consistency with housing, planning, environmental and social strategies; and Partnership provides the structure through which these elements are organised over time.

The 5P model is not a new legal category and cannot replace the applicable planning, corporate, financial or competition rules. It may nevertheless provide a governance method capable of moving beyond an exclusively bilateral relationship between public authority and developer and of integrating investors, managers, beneficiaries and territorial stakeholders throughout the programme life cycle.

The urban planning agreement is decisive in this framework. It is not an ancillary document or an instrument limited to prices and rents. It is the instrument through which the geographical and functional scope of the programme, the functional mix, the scale and control of the regulated affordable housing component, works and services, the duration of restrictions, access criteria, risk allocation, guarantees, monitoring systems and possible review mechanisms must be defined.

The agreement must also be coordinated with the economic and financial plan, the corporate and financing structure and the contracts governing construction, finance and management. Bankability will not depend solely on the existence of housing demand, but on the ability to translate that demand into sufficiently stable cash flows governed by a clear legal framework and compatible with the programme's social obligations.

The framework creates major opportunities, but also structural difficulties. The 70 per cent requirement, the minimum discount from market values and the thirty-year duration strengthen the social function, but require careful economic assessment. In markets where construction or regeneration costs approach or exceed the value of the completed property, the model cannot rely solely on the integration of regulated affordable housing and market-rate housing. Public contributions, usable planning incentives, reductions in charges, favourable land terms, guarantees, patient capital or other risk-sharing mechanisms will be required.

Without these instruments, Integrated Housing Infrastructure Programmes may be implemented mainly in stronger real estate markets where the margin between production cost and market value can absorb the affordability requirement. The instrument may face greater difficulty precisely in territories characterised by low values, degraded assets and a strong need for regeneration.

The actual effectiveness of the reform will therefore depend on the ability of local authorities to assess complex proposals, review economic and financial plans, determine prices and rents correctly, monitor cost allocation, verify beneficiary eligibility and preserve the social function throughout the restriction period.

Implementing measures, guidelines and the development of common practice will also be essential. Standardised agreements, calculation criteria, economic and financial plan models, reporting systems and beneficiary-selection procedures may reduce uncertainty, contain structuring costs and make operations more intelligible to municipalities, lenders and institutional investors.

The challenge is therefore to move from legislation to feasibility, from feasibility to market and from market to city. Integrated Housing Infrastructure Programmes can succeed only if they create a stable balance between housing affordability and return, private initiative and public territorial governance, long-term restrictions and operational flexibility.

The Housing Plan may open a new phase for the Italian real estate sector: no longer regulated affordable housing, social housing and urban regeneration as separate fields, but an integrated platform in which capital, planning, services, communities and public policies contribute to long-term social infrastructure.

The success of the reform will not depend solely on its ability to attract investment. It will depend on programme quality, clarity of the rules, strength of governance and the capacity to demonstrate that the public interest and economic sustainability can be pursued within the same operational **architecture.**

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