



# From sources of financial value to commons: Emerging policies for enhancing public real-estate assets in Italy

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**Abstract.** Enhancing public real-estate assets has been at the centre of a lively debate in Italy. Public policies have focused on the supply-side, assuming that private demand was ready to develop assets. Yet with the decline in the real-estate market, conditions have greatly changed. Italian authorities began to experiment new approaches to enhance public assets by supporting the grass-roots participation. The aim of this research is to determine the conditions that can predict the successful outcome of bottom-up value creation dynamics in public real-estate properties. Through a multivariate statistical analysis, the study proposes an interpretation of the elements that determine the successful outcome of bottom-up processes.

**JEL classification:** R53

**Key words:** Public real estate property, commons, bottom-up urban regeneration, grass-roots participation, social entrepreneur

## 1 Introduction

Enhancing public real-estate assets has been at the centre of a lively debate for years, and the attempt to exploit them efficiently is on the agenda of the central government and local authorities in Italy. Attention has long focused on the ways in which a vast, highly diverse amount of public property could be earmarked for uses capable of generating economic and financial value. Legislators' efforts have aimed at facilitating operations – notably zoning and buildings codes – to better adhere to the demands of investors and developers and to allow for a rapid process of value creation by freeing assets from public sector constraints.

Public intervention has focused primarily on the supply side, assuming that private demand was ready to transform and develop assets formerly held by the public sector without technical or financial difficulties. Yet with the decline in the real-estate industry that began in second half of the last decade, conditions have greatly changed. The demand for assets destined for development has fallen dramatically, as attested by the considerable amount of unsold property and stalled operations (ANCE 2015; Fabrizi et al. 2015).

The lesson has been clear: moving property from the public to the private sector is no longer enough to trigger a value creation process, either because the demand is not there or because preferences and spending capacity have profoundly changed. In consequence, Italian authorities have begun to experiment with new approaches to enhancing value, by supporting the actions of associations and self-organized groups interested in using property otherwise destined to abandonment. In some areas of the country there has been a significant development in grass-roots participation initiatives, while in others bottom-up property development has not yet taken place.

The aim of this research is to determine the conditions that can predict the successful outcome of bottom-up value creation dynamics capable of generating value for both the community and the authorities that own the buildings. In some European countries similar processes have been codified and are already being promoted at the core of several major cities' agendas (Inti and Inguaggiato 2011; Andres 2013). In Italy, however, the potential for bottom-up property development is a prospect that often leaves administrators and technicians uncertain, suggesting the need for further analysis.

This study is divided into four sections. Section 2 addresses some theoretical considerations on the public property development process based on the mobilization of self-organized groups and associations. Sections 3 and 4 present the results of research carried out on empirical evidence in Italy, through the comparison of about 50 case studies. Section 5 highlights the conditions that appear to be crucial for the successful outcome of similar processes. Section 6 concludes.

## **2 The development of public real-estate property: from supply deregulation to the search for a new demand**

The vast amount of Italian public real-estate property – which includes more than 45,000 areas and buildings – is worth almost 60 billion euro.<sup>1</sup> Yet the severe decline of the real-estate market has led to considerable difficulty in the sale of assets destined for development. The high number of deserted auctions, unsold real-estate property, and stalled projects reflect this radically changed environment. The economic and social conditions at the root of traditional development processes simply no longer apply: supply remains untapped and the financial capacity of demand has highly diminished.

Public real-estate property enhancement policies have been supply-centred for years. Intervention has focused on making procedures more effective and efficient so that the assets could correspond to private operators' needs (Agenzia del Demanio 2015). Like other distinctly neoliberal regional and urban government policies (Camagni et al. 2014), the enhancement of public real-estate assets has been related to simplifying administrative procedures, to increase the flexibility of planning and building regulations, and, finally, to identifying qualified professionals for the efficient development of public assets.<sup>2</sup>

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<sup>1</sup> To check the complete list and the current value of Italian public real-estate properties, see: <http://dati.agenziademanio.it/#/opendata>.

<sup>2</sup> In accordance with the provisions of Article 58 of Law 133/98, the solutions local authorities have proposed for the development of real estate property prove exemplary in this respect. In the local balance sheets, the legislator establishes, in paragraph 2, that 'the inclusion of properties in the plan determines their classification as available for sale and expressly makes them available for private purposes'. In order to expedite the enhancement process and to benefit from qualified professional skills, the law states, in paragraph 8, that 'entities owning the real estate properties (...) may bestow their assets (...) to real-estate investment funds or promote their establishment'. The combination of the public sector's procedural simplification and the private sector's professionalism become the bases of an effective and efficient development action for real estate property.

In light of the profoundly changed economic environment, it is no longer plausible to rely on these instruments, and it seems decisive, instead, to revert to the true characteristics of demand – to the parties who ultimately use the real-estate properties – for more effective policies. This means working with profit and non-profit organizations, professional offices, artist studios, and venues for cultural production – self-organized groups and associations that can exploit the opportunities of unused buildings by transforming them into highly diverse sites and promoting initiatives that would otherwise hardly have the chance to take place (Louekary 2006; Novy and Colomb 2013; Campagnoli 2015; Mangialardo and Micelli 2017).

Local and central authorities can create value through completely renewed approaches. They can promote a new demand, fostering projects and entrepreneurship by entrusting resources otherwise destined to remain disused or under-utilized, therein pursuing real-estate projects that, more broadly speaking, represent actions for urban regeneration (Andersson 2009; Inguaggiato 2011; Peck 2012; Andres 2013).

The debate on public property enhancement has often – and not merely coincidentally – intersected with that on youth policies (Campagnoli 2015). If traditional operators no longer have the interest, or the resources, to develop real-estate assets, the creative class (Florida 2002; Evans 2009) has the ideas – but not always the resources – that can be at the core of redevelopment projects.

Development policies for the recovery of public property can also have an effect on debate regarding the temporary use of real-estate assets. Temporary use may be a means for discovering opportunities that market operators do not consider to be of value (Inti 2011; Colomb 2012; Andres 2013; Nèmeth and Langhorst 2014). In situations in which traditional real-estate operators prove unable to determine a site's final destination, provisional and short-term uses may reveal its future potential (Inti 2011).

Public authorities are now accepting the drop in, if not the nullification of, real-estate values and are overturning this prospect by seeking a new approach capable of creating value for the community and, subsequently, for their properties (Nèmeth and Langhorst 2014). Founded on the richness of the city's social capital, bottom-up mobilization can radically transform public property into resources that the community can use to promote innovation in both the profit and non-profit sectors. Abandoned properties are transformed into commons (Arena and Iaione 2015; Soma and Vatn 2014) that public bodies can entrust to whoever has the right project and the capabilities. The aim is no longer that of extracting rent but of experimenting with new forms of economic and social development.

In this perspective, some local authorities<sup>3</sup> have formulated a new legal framework for the use of public property. It is no longer considered a reserve of financial value but has become a commons at the service of the city's economic and social development. Since 2014, the central administration has acknowledged the importance of bottom-up mobilization as a potential new governance model (Arena and Iaione 2015; Lepofsky and Fraser 2003). Current legislation allows local authorities to promote and regulate participatory mechanisms 'for the protection and enhancement of the territory'<sup>4</sup> through the establishment of specific guidelines for managing public real-estate property at the disposal of the community. To date, over 150 municipalities have adhered to this by setting up their own regulations for public property.<sup>5</sup>

<sup>3</sup> In addition to having established a specific municipal office for Active Citizenship, the Municipality of Bologna was the first in Italy to draw up the Charter of the *Commons* in 2014. For more details, see <http://www.comune.bologna.it/comunita/beni-comuni>.

<sup>4</sup> The Unblock Italy Decree, Art. 24 of Decree Law No. 133 of 12 September 2014 – urgent measures for the opening of construction sites, the implementation of public works, the country's digitization, the simplification of bureaucracy, the emergence of hydrogeological risk, and the recovery of productive activities, – was converted into Law No. 164 of 11 November 2014.

<sup>5</sup> To learn more about the extent of Italian municipalities that adopted regulations for commons, please refer to the updated list at the following link: <http://www.labsus.org/2015/04/i-comuni-de-regolamento-per-i-beni-comuni-di-labsus/>.

### 3 Bottom-up development cases: a national overview

This analysis aims at determining the main characteristics of bottom-up development processes. Fifty cases,<sup>6</sup> including nearly all the bottom-up enhancement cases in Italy, were examined. The information acquired for each case is the result of interviews, desk research, and field surveys.

The following variables were observed for each case: regional location, city size, the centrality and accessibility of the asset, its size, the resources used for the property's redevelopment, the presence or absence of specific public policies in support of the enhancement process, the nature of the contractual arrangement, and, finally, the management model.<sup>7</sup>

The regional location identifies the geographical position of the assets and is differentiated according to northern, central, and southern Italy. The city size defines whether the enhancement process has occurred in a large city (over 50,000 inhabitants) or a small one. The position refers to the location of the asset according to its accessibility: central, semi-central, suburban, or extra-urban.

In addition to positional variables, the value of the social capital in the regions in which the bottom-up development of public real-estate property took place was observed. Social capital is understood as the endowment of a rooted civic sense that unites values and cultural aspects with resources and shared projects available to the community (Bourdieu 1986; Coleman 1988; Putnam et al. 1993). ISTAT (2015) surveys developed the concept into operational variables, classifying cities and regions according to their social capital endowment.<sup>8</sup>

The variable related to architectural typology provides an indication of the type of redeveloped asset: barracks, theatres, schools and industrial buildings. The size variable indicates, by size-class, the surface area covered by the buildings (small for a surface area up to 5,000 m<sup>2</sup>, average between 5,000 and 20,000 m<sup>2</sup> and large from 20,000 m<sup>2</sup> and above).

The type of funding specifies the provenance of the economic resources used to enhance the building. There were two possibilities: funds provided by self-organized groups/associations or other resources. The variable linked to the presence of specific public policies clarifies whether dedicated policies have recently been promoted at the local level.

The contractual arrangement reflects the type of legal relationship employed for the reuse of the assets. It is differentiated according to lease, bailment, and, when the property has been occupied without authorization, no contractual arrangement.

The management model identifies the management solutions through which the asset has been enhanced. There are three possibilities: 'sole administrator,' when a single party coordinates and manages the entire redevelopment operation; 'consortium,' when more organizations are involved in the project's implementation; 'direct assignment,' when the local authority directly entrusts the asset to the buildings' end users.

The information observed was re-processed in quantitative terms and the main descriptive statistics are reported for each variable (see Table 1). Significant similarities emerged from the processing performed, highlighting common patterns in the enhancement logic.

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<sup>6</sup> The authors will be compiling the complete database of bottom-up development cases analysed in Italy, available for sharing.

<sup>7</sup> The functional aspects of each structure were not examined because they were not considered to be a determining factor for the purposes of this research. The topic's high significance would merit a separate study.

<sup>8</sup> A regionally-based proxy was used for this variable. It was provided by ISAT in the chapter entitled 'Social relations' in the BES-equitable and sustainable wellbeing in Italy 2015 report. The 'Composite Index' provides an overall assessment of the country's level of social participation. These are variables that are perfectly consistent with Putnam et al.'s (1993) reflection, and the ISTAT survey therefore makes an otherwise meaningful operational concept vague in terms of quantity.

**Table 1.** Summary of the variables analysed for the fifty case studies

Characteristics	Attributes	Number of cases	Relative frequency
Location at regional level	North	31	62
	Centre	8	16
	South	11	22
Location at urban level	Large-sized cities	37	74
	Small-sized cities	13	26
Urban location	Central	30	60
	Semi-central	12	24
	Suburban	6	12
	Extra-urban	2	4
Type of financing	Self-financing	27	54
	External financing	10	20
	Both	13	26
Presence of social capital (ISTAT)	National average 98.9	32	64% of cases higher than the national average
		18	36% of cases lower than the national average
Type of contract	Bailment	31	62
	Lease	7	14
	No contract	12	24
Managerial solution	Sole administrator	29	58
	Consortium	8	16
	Direct assignment	13	26

#### 4 Three clusters to classify bottom-up developments

The characteristics of the case studies seem to follow a shared pattern, and it becomes necessary to understand whether, and how, it is possible to aggregate the different features in significant profiles marked by similarity. The most suitable technique for this type of investigation is cluster analysis, a multivariate descriptive statistical methodology that is able to divide a set of dissimilar elements into more homogenous sub-groups (Fraley and Raftery 1998).

With cluster analysis, each case study is part of a group that is, in turn, contained in a larger size-class until one single set is obtained that contains all the units analysed. The process can be represented in the form of a dendrogram that identifies, according to increasing order, the level of aggregation of the identified clusters. The vertical lines of the dendrogram (see Figure 1) mark the union of two clusters, while the position of these lines indicates the distances at which these clusters are aggregated (Sarstedt and Mooi 2014).

In operational terms, the cluster analysis is divided into four phases. The first consists in the selection of cases and qualifying variables in the form of a data matrix. All the variables considered were taken into account for the case studies, except for the architectural typology, which was not considered to be significant in light of the processing carried out.

The second phase concerns the choice of methodology to measure the distance – or the level of dissimilarity – between the statistical units. In this respect, the simplest and most widespread Euclidean distance technique was used, which geometrically measures the distance between the various elements through the Pythagoras theorem (Sarstedt and Mooi 2014).

The third phase concerns the identification of a suitable algorithm for the grouping of the similar units observed. The methodology used is hierarchical agglomerative clustering: each observation is aggregated within a group and, through successive mergers of less distant and therefore more similar data, observations are inserted into a wider group.

Ward's method was used in the specific processing. This enabled the groups to be brought together through the minimization of their deviance thereby ensuring greater internal cohesion

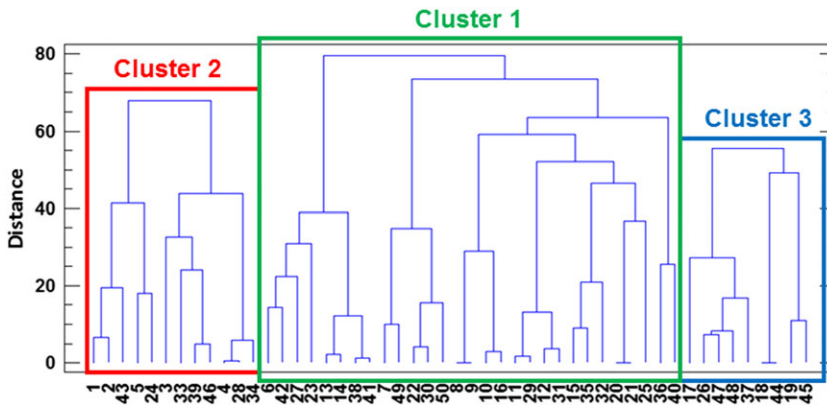


Fig. 1. Dendrogram emerged from the cluster analysis

to the groups. At the beginning of the process, when each cluster is formed by a single element, the internal deviance is equal to zero. When two entities merge into a single cluster, a degree of variability is introduced that is destined to grow as a function of the cases in the group itself (Johnson and Wichern 2002).

The last step is the choice of the number of clusters to be obtained (Sarstedt and Mooi 2014). On the basis of the sample characteristics, and in order to maximize the effectiveness of the analysis, the dendrogram<sup>9</sup> groups the fifty cases into three clusters<sup>10</sup> (see Table 2).

The first cluster, the largest, is formed by 29 cases (54% of the cases). The group confirms and clarifies the findings from the previous frequency analysis. Bottom-up development concerning northern Italy's public property (72.41%) that is situated in large cities (93.10%) and in areas marked by high social capital. Much of the bottom-up mobilization takes place in urban central areas (48.28%), which have better accessibility and the presence of significant infrastructure connections.

The large Northern cities that are the most populated, rich in consolidated social relations and diverse knowledge and skills are the cities in which bottom-up mobilization takes shape with greater frequency in correlation with the endowment of social capital (Glaeser et al. 2002).

The size of the real-estate asset and the investment features are not negligible. The buildings have contained surfaces (51.72%) and are characterized by acceptable maintenance conditions. In these premises, self-organized groups independently covered the redevelopment costs for most of the upgrading operations (62.07%).

Local authorities lacking financial resources have followed and supported self-organization arrangements through the partial financing of interventions and by legalizing the occupants with different solutions (89.66%). The juridical formula of bailment at no charge is the most used (44.83%) even if there are some experiences without contract (34.48%). At a management level, the majority of the initiatives are coordinated by a single administrator (72.41%).

<sup>9</sup> The analysis was performed through the use of Statgraphics Centurion® software, which reported the dendrogram with the individual clusters and the affinity of each row of the matrix to the different clusters (see Figure 1). The Statgraphics Centurion® software shows the mean value of each variable for each cluster at a glance. The variables analysed are not all quantitative but mostly qualitative. This is why the mean value does not represent a given significant synthesis, and the analysis of the individual frequencies for each variable in the three clusters continued.

<sup>10</sup> A MANOVA test was carried out to validate the three clusters. This methodology consists in the analysis of the total variance that enables the comparison of the effects on an independent variable (in this case, the number of clusters analysed) compared to multiple independent variables (the explicative variables considered in the analysis, see Table 1). In summary, the output used in the variance analysis to explain the level of interaction between the variables is the p-value. This value was verified through the NPC Test program (through a combination between non-parametric variables performed by means of the Fischer method), returning a p-value equal to 0.014985. By assuming a threshold value of 0.05, the p-value obtained confirms the hypothesis of the three clusters.

Table 2. Table of the frequencies emerging from the analysis of the clusters

	1	2	3	4	5	6	7	8	9	10	11	12
1	29	54	North 72.41%	Centre 10.34%	Large 93.10%	Central 48.28%	Small 51.72%	Self-financ. 62.07%	Higher than the average 86%	Yes 89.66%	Bailment 44.83%	Admin. 72.41%
			South 17.24%	Centre 17.24%	Small 6.90%	Semi-central 24.14%	Medium 27.59%	Ext. Fin. 13.79%	Lower than the average 14%	No 10.34%	Rent 20.69%	Cons. 10.34%
2	9	24	North 88.89%	Centre 77.78%	Large 0%	Extra-urb. 6.90%	Small 77.78%	Self-financ. 44.44%	Higher than the average 89%	Yes 11.11%	Bailment 100%	Dir. 17.24%
			Centre 11.11%	Semi-central 22.22%	Small 100%	Central 77.78%	Medium 11.11%	Ext. Fin. 11.11%	Lower than the average 11%	No 88.89%	Rent 0%	Admin. 22.22%
			South 0%	Suburb 0%	Large 11.11%	Extra-urb. 0%	Large 11.11%	Both 44.44%	Higher than the average 11%		None 0%	Cons. 22.22%
3	12	22	North 0%	Centre 8.33%	Large 83.33%	Central 75%	Small 91.67%	Self-financ. 41.67%	Higher than the average 8.2%	Yes 58.33%	Bailment 75%	Admin. 50%
			Centre 8.33%	Small 16.67%	Small 16.67%	Semi-central 25%	Medium 8.33%	Ext. Fin. 41.67%	Lower than the average 91.8%	No 41.67%	Rent 8.33%	Cons. 25%
			South 91.67%	Suburb 0%	Large 0%	Suburb 0%	Large 0%	Both 16.67%			None 0%	Dir. 25%
				Extra-urb. 0%	Extra-urb. 0%	Extra-urb. 0%	Extra-urb. 0%				16.67%	Dir. 25%

Notes: 1: number of clusters analysed; 2: number of cases per cluster; 3: relative frequency per cluster; 4: location at regional level: Northern, central, Southern Italy; 5: location at urban level: large cities (more than 50,000 inhabitants) and small-sized cities (less than 50,000 inhabitants); 6: location of the building: central, semi-central, suburban and extra-urban; 7: size of the building: small (less than 5,000 m<sup>2</sup>), medium (between 5,000 and 20,000 m<sup>2</sup>) and large (over 20,000 m<sup>2</sup>); 8: type of financing used: self-financing, external financing, both types; 9: proxy by social capital: composite Index of social relationships on a regional basis (ISTAT, data referring to 2014) compared to the national average (98.9); 10: the presence (yes) or absence (no) of public policies; 11: contract type: bailment, lease, no contract; 12: managerial solution: single administrator, consortium, direct assignment.

The second cluster, consisting of nine case studies (24% of the cases), can be considered a subset of the first. Most operations take place in areas of northern Italy with high social capital (89%). The properties are situated in the centre of the cities (77.78%), and most of these cases are self-financed (44.44%). Contrary to the previous cluster, the buildings are located in small cities (100%), where the administration has not promoted any policy to foster similar development processes (88.89%). The totality of studied cases had a contract of bailment at no charge (100%) and the Administration coordinate directly these experiences (55.56%). This cluster includes cases in small towns where it was only possible to initiate bottom-up development processes thanks to the self-organizational capability of the local community, even in the absence of support from the administration.

The third and final cluster, composed of twelve cases (22% of the cases), is clearly differentiated from the previous ones. The properties are located in the southern areas of the country (91.67%), mostly in the urban centres (75%) of large cities (83.33%) in areas endowed with a modest social capital. The buildings are small (91.67%) and redevelopment actions were financed in equal measure by external contributions and self-financing (41.47%). In most cases, over 58% of the local authorities activated specific public policies to encourage self-organized initiatives to enhance public real-estate property. The bailment at no charge is the most used juridical formula (75%), most frequently managed by a single administrator (50%), just as it was in the previous cluster.

## 5 The determinants of successful bottom-up processes

In contrast to traditional strategies for enhancing public real-estate property, self-organized communities are repossessing under-utilized or abandoned buildings by promoting bottom-up interventions in the most diverse economic and social sectors. Through the analysis of fifty cases study in Italy, this study proposes an interpretation of the elements that determine the successful outcome of bottom-up process by identifying three specific qualifying conditions.

The first concerns the social and economic features of the regions and cities in which similar cases occur. In particular, bottom-up mobilization is linked to the presence of a significant endowment of social capital (Mayer 2003; Woolcook 2004; Westlund 2012) and represents a typically urban phenomenon.

The results of the cluster analysis are clear and point out a significant correlation between social capital and bottom-up public real-estate property enhancement processes. The empirical research shows that over 60 per cent of the cases are situated in northern Italy, in areas that, historically, have a more significant presence of social capital in comparison to southern Italy (ISTAT 2015).

The greater the endowment of social capital, the more numerous the initiatives pursued by community movements: the quality and the quantity of bottom-up development initiatives are correlated with the endowment of the social relationships of a community.

Nevertheless, public policies in support of bottom-up mobilization have the merit of activating latent social capital that would otherwise be insufficient in sustaining self-organized regeneration projects. The third cluster highlights the role of public policies where social and economic conditions are not sufficient to activate self-organized processes – this is the case in different areas in the south of Italy – and specific support measures are necessary.

Cities are open, permeable, and porous environments (Sennett 2008), where individuals are more likely to act and react to continual stimuli and to absorb and expand the social and human capital present (Glaeser et al. 2002, 2016; Camagni et al. 2016). It is not surprising that the presence of self-organized communities is positively correlated to medium and large-sized cities, which are more dynamic places under a social and economic profile (Fusco Girard

2011). There are also cases of bottom-up development in smaller towns, but they are sporadic and, in any case, take place in areas close to large urban centres.

The second condition concerns the intrinsic features of the upgraded public assets. Properties that have large rooms, open plans, and considerable height offer the physical conditions that are better suited to the great diversity of initiatives taking place in bottom-up development processes (Cities Institute-London Metropolitan University 2005). Old parade grounds transformed into open-air cinemas and venues for temporary exhibitions, industrial buildings used for creative workshops, start-ups or association offices, and covered markets converted into theaters are only some of the examples of bottom-up redevelopment, demonstrating the great diversity of the initiatives launched. To accommodate different activities and functions, the spaces need to be flexible and easily adaptable. While the variety of spaces and their reuse represent a limit and a cost and, therefore, an obstacle to redevelopment for many investors, in contrast, bottom-up development processes favor the reuse of spaces that are open to multiple solutions (Campagnoli 2015). The uncertainty of the nature of activities promoted inside the buildings requires the availability of open and dynamic spaces that can be flexibly adapted to current needs and to be readjusted for future uses when the former become obsolete.

Buildings of this sort have become containers for social innovation, which represents an opportunity for local communities. The initiators of the enhancement process make it possible to continually overhaul, grow, and adapt various uses at costs within the available budgets. The architectural types for reuse also provide an important creative stimulus to users who, in restructuring the spaces, often emphasize their specific features (Drake 2003).

The survey shows that the public properties chosen for redevelopment were relatively small and in relatively good conditions: they were perhaps abandoned, but their transformation was not excessively onerous. The properties are therefore usable at the onset without particular intervention. Redevelopment investment is thus likely to be distributed over time without initial outlays that would prove to be incompatible with the limited financial resources of the parties that typically aggregate into similar experiences.

The third condition concerns the legal framework used to promote the bottom-up development processes. Three aspects, in particular, appear significant for the successful outcome of bottom-up developments. In most cases the buildings are assigned through the legal terms of bailment at no charge. This type of contract is best suited for the owner and the bailees, who can easily disengage from the agreements at any time. The high uncertainty of the activities undertaken requires open and flexible legal conditions. If the property should find a more advantageous and suitable use, or if the user is not satisfied with the activity started, both have the right to withdraw from the contract at any time. In most cases, the contracts do not stipulate a precise duration for the buildings' occupation. It varies from a few months to a few years, allowing for enough time to look for definitive uses (Colomb 2012).

There are two reasons for the vagueness of the contract's duration. The first tends to limit, as far as possible, the duration of the parties' commitments and relates to the nature of participatory processes, which are not planned in advance but developed over the course of the work (Crosta 2011). The second contributes to prolonging the duration of the relationship between ownership and self-organized groups. The users assume the burden of upgrading the occupied spaces, possibly with the integration of specific public financing: the assignment of a property for a too short a time could be incongruous with the amortization of the investment.

In most cases, the bailment contract is signed by a single party that is responsible for coordinating the stakeholders' actions. This administrator performs critical functions for the success of the process, proposing the idea, handling its promotion, and coordinating the activities that take place, therein becoming solely responsible for the property's preservation and enhancement. He/she has a social role in promoting profit and non-profit activities and, at the same time, employs the necessary entrepreneurial skills to ensure the redevelopment project.

That is why international literature defines this agent as a social entrepreneur (Bailey 2012; Mangialardo 2017; Mangialardo and Micelli 2017).

The presence of a sole coordinator who is able to promote synergy between the activities and to integrate and possibly exclude initiatives that are not compatible with the site's regeneration appears to be a distinctive feature of successful operations. The importance of a sole manager coordinating a multiplicity of initiatives presents interesting analogies with respect to other forms of traditional real-estate development (MacCallum 2003). On the contrary, spontaneity or unguided interaction do not appear to be suitable to the success of bottom-up development processes.

## 6 Conclusions

By starting from the end-users of real-estate assets and by entrusting public property to parties capable of social and economic innovation, public real-estate assets are being enhanced through new solutions centred on participatory processes largely promoted by self-organized profit and non-profit entities. As numerous deserted auctions and sales at prices far below the expected values have made the unsustainability of traditional valorization approaches clear, market conditions have led to new opportunities for solutions promoted by self-organized groups and associations involved in highly diverse undertakings. Administrations have ceased to extract value by simply transferring their assets to the private sector through real-estate and urban planning choices in line with market expectations. They have begun, instead, to promote programmes that entrust parties capable of embarking on highly diverse projects to develop properties otherwise destined to be under-utilized or abandoned.

The development of public property through participatory processes is not, however, always and systematically destined to succeed. It is necessary to determine the conditions that make it possible to predict the success of participatory processes capable of generating new economic and social value. The presence of a community capable of self-organized processes, the location of the buildings in urban centres, specific building characteristics in terms of type and state of preservation, the presence of a party – other than the public administration – with the ability to independently assume a managerial role in the activities promoted, and a flexible legal relationship between the administration and private parties are all factors that predict the successful outcome of bottom-up developments.

Future research may focus on diverse aspects of the topic. In terms of urban policies, the issue is represented by the evolution of similar cases in more consolidated solutions for economic and social innovation. European experiences – as in Berlin (Louekary 2006) and Brussels (Inti 2011) – and the actions of some Italian cities seem to foreshadow the formalization of bottom-up development strategies for transforming desolate, abandoned, public real-estate property into social and economic opportunities.

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