

Torre Velasca: determining the Highest and Best Use of a Modern Monument

Problem Statement

“Being an icon of the modern Italian architecture did not preserve the Velasca Tower by carelessness, obsolescence and vacancy. For that reason today the future of the tower seems particularly uncertain. Furthermore the decision of Fondiaria Sai (the owning company) to sell the tower kindles a vivacious discussion in town about the role of this edifice in Milano and its cultural value. The research tries to determine the Highest and Best Use (HBU) of the Velasca, considering both the financial feasibility and the cultural value of tower in the uncertain scenario of the Real Estate Market in Milano”.

Highest and Best Use

Cultural Value



Strengths

- Good opportunity to sit, talk and listen
- Masterpiece of the Modern Architecture with remarkable detail
- Good Accessibility by Public Transport
- Good visibility at city level
- Site located in the city centre
- Average protection against traffic
- Average protection against unpleasant sensory experiences
- Adequate number of kiosks (cafes and restaurants)
- The tower is a listed building
- The prices expressed by the Tower are higher in average than the one of other building in the same location

Weaknesses

- Poor level of services for residents
- The floor plan is not efficient (GFA/LFA)
- The tower need a strong restoration
- Poor Energy performance
- The Tower is a Listed Building
- Physical Obsolescence
- The retail is mainly oriented on local demand
- Poor Accessibility by car
- Site not adequate to sport activities
- Only the 2% of the facilities in the site are open till late in the night
- Poor visibility at Site Level
- Inadequate number of parking places
- Poor protection against crime
- Poor opportunity to walk around.

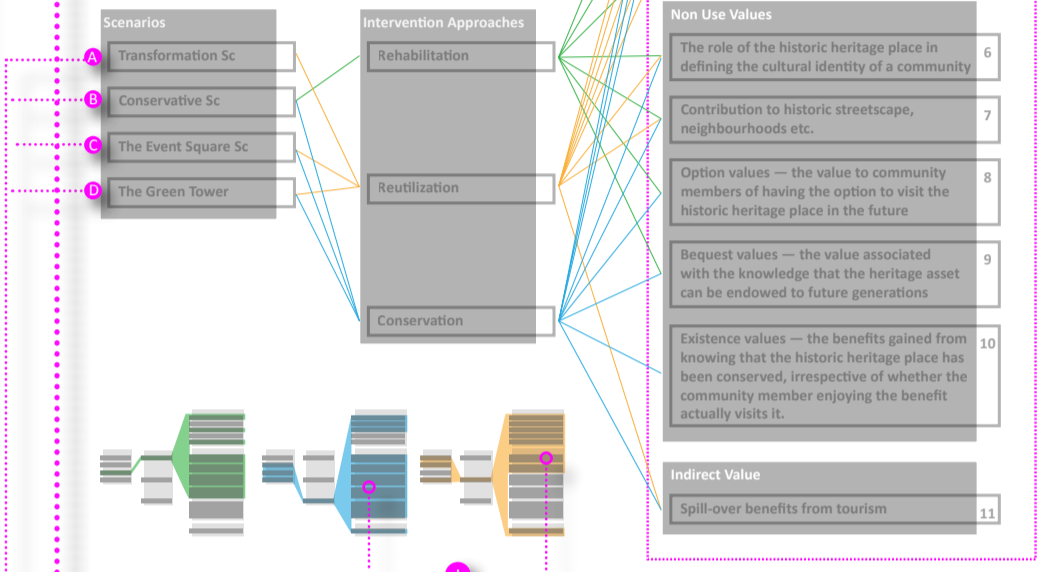
Opportunities

- Location is not that important in Milano
- Collaboration with the Municipality to facilitate the conversion of the tower
- Luxury hotel are generally associated with landmark building, in well-established destinations such as Paris, London or Milano. Furthermore they are associated with tradition and history with design being influenced by certain time period which in turn maintains the luxurious feel of each hotel in the segment.
- Growing the High-Rise Market
- New comers in the Retail sector
- Residential sector: The demand characterizing by buyers with strong purchasing power.
- New supply in all hotel categories is expected to further limit the Milanese hotels ability to increase occupancy levels.
- Growing Event Economy
- Sustainability: the public opinion pays certainly attention to this argument
- The demand is interested to this Sustainability if related to the cost saving.
- PGT is a new tool that can encourage integrated regeneration process.
- Massive Re-development of the city.

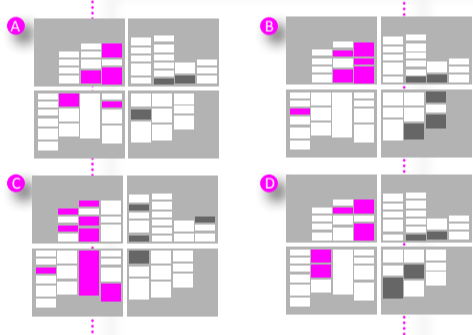
Threats

- The realization of EXPO 2015 is having some difficulties and the program is going on very slowly
- Collaboration with the Municipality to facilitate the conversion of the tower
- Office: The are of Garibaldi will compete with the CBD
- Office: 600.000 m2 of new offices will be available before 2012
- Residential: affordability is the real problem of Milano-Prices are too high
- High vacancy has been found also in the retail around the square
- Sustainability: The label system of the energy classes is pretty complicated and very technical
- I still have some doubts that the buyers feel the energy performance as quality element of the estate.

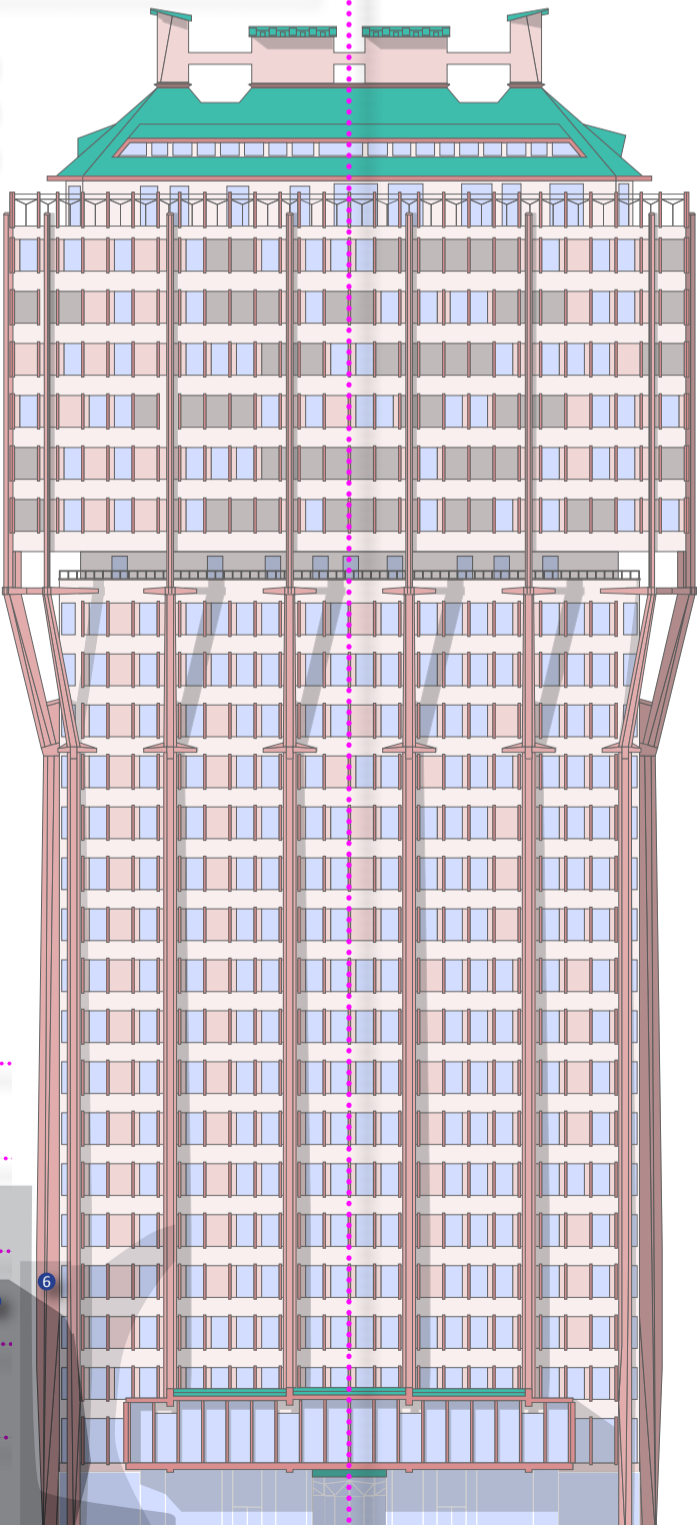
The Cultural Value is not a unique concept, but can be divided in 11 sub-values organized in 3 groups. Different Interventions approaches lead to the activation of different Cultural value



| Cultural Values | |
|--|----|
| Use Values | |
| Aesthetic Benefits | 1 |
| Financial Benefits | 2 |
| Educational Benefits | 3 |
| Real Estate Value | 4 |
| Heritage as a source of skills | 5 |
| Non Use Values | |
| The role of the historic heritage place in defining the cultural identity of a community | 6 |
| Contribution to historic streetscape, neighbourhoods etc. | 7 |
| Option values — the value to community members of having the option to visit the historic heritage place in the future | 8 |
| Bequest values — the value associated with the knowledge that the heritage asset can be endowed to future generations | 9 |
| Existence values — the benefits gained from knowing that the historic heritage place has been conserved, irrespective of whether the community member enjoying the benefit actually visits it. | 10 |
| Indirect Value | |
| Spill-over benefits from tourism | 11 |

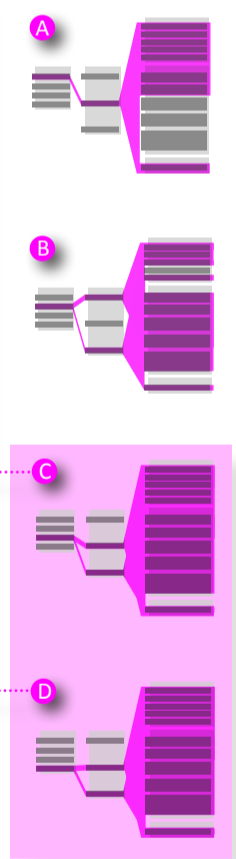


- Building
- Location
- Market



Each Scenario is related to different Intervention Approaches which suggest the Cultural Values, that are activated. The Scenario C and D (The Event Square and The Green Tower) lead to a mixed Intervention Approach (Reutilization+Conservation), which is able to maximize the use of the Cultural Value (because the greater amount of sub-values result activated).

For that reason, among the 4 Scenarios, which have been extracted by the market analysis, the considerations about the Cultural Value suggest to further develop the third and the forth.



Historical High Rises in Milano

- 1 Torre Velasca
- 2 Torre Breda
- 3 Torre Pirelli
- 4 Torre Galfa
- 5 FFSS I
- 6 FFSS II
- 7 Torre Romana

Tower Recently built or Planned in Milano

- 1 Palazzo Lombardia
- 2 Torre Porta Nuova
- 3 High Rises Hotel
- 4 High Rises Residential
- 5 High Rises Offices
- 6 CityLife

Case Study in New York

- 2 Torre Porta Nuova
- 3 High Rises Hotel
- 4 High Rises Residential

