

REAL ESTATES

LIFE WITHOUT DEBT

7	INTRODUCTION	75	MONEY : TIME : SPACE
			Sam Jacob
15	NEOLIBERALISATION	81	DERIVATIVE ARCHITECTURE
	with Neil Brenner		Jack Self
27	SHADOW STATES	97	SILVER BULLETS
	with Keller Easterling		with Finn Williams
35	OUT OF THE JUNGLE	105	THE POLITICISATION OF DEBT
	Mario Carpo		Ross Exo Adams
41	A ROOM AGAINST OWNERSHIP	113	UNREAL ESTATES
	Pier Vittorio Aureli		Mark Campbell
45	TUTTI PROPRIETARI	121	WRESTLING THE RIGHT
	Roberta Marcaccio		with Eyal Weizman
51	FOR ME, MYSELF AND I: ARCHITECTURE	127	GETTING REAL
	IN THE AGE OF SELF-REFLEXIVITY		Brett Steele
	Peer Illner		
57	THE SELF-DESTRUCTION MACHINE	131	Biographies
	Wouter Vanstiphout		Supplement:
67	CAPITALISM AND FREEDOM		REAL ESTATES ADDENDUM
	Urban-Think Tank		

**TUTTI
PROPRIETARI**

**ROBERTA
MARCACCIO**

Selling the *nuda proprietà* (bare property) of a house means selling its ownership but not the right to use and derive profit from it (a right that remains the prerogative of the usufructuary¹ until his or her death). The scheme comes at a certain cost, which is why it is traditionally popular only amongst the elderly, who in the last years of their lives may choose to sell the bare ownership of their house without being forced to move out. Today, however, this financial formula is becoming increasingly popular amongst a younger demographic: in Italy, 35 per cent of those seeking to sell bare ownership of a property are under 50-years-old. The number of those in their 40s, 30s and even 20s is steadily rising.

The value of a bare property is determined by a number of factors relating to the age of the seller. The older the usufructuary, the less time he or she will occupy the property. Therefore, the selling price is higher and closer to the market value. Alternatively, a seller can accept a fixed-term 10-year usufruct, for which the property value is typically estimated at around 50 per cent of the going rate.

Daniele is an accountant, 38 and in debt. He has just sold his apartment in Milan for 55 per cent of its current value. In return, he is allowed to live there for the next ten years. During this time Daniele will be liable for all the expenses related to the property but if he wanted to he could move elsewhere and rent out the property. 'For me it has been like drawing a line,' he says. 'I have used my property value to liquidate my debts, because I cannot lead my life if I am constantly worrying about what I owe; a life without debt is an asset in itself.'

For those looking to buy, bare ownership can be a great deal. The purchaser benefits from a reduced price and generous tax discounts (bare property does not appear on

the buyer's tax return). By contrast, this kind of sale is usually a last resort for the original owner. In Daniele's case his debt had been transferred into a *cessione del quinto* – a loan paid back through enforced deduction of one-fifth of his paycheck. He, like many others, also realised that even if he retained full ownership of the property, he bore the risk that taxes would erode its remaining value.

Daniele sacrificed almost half the value of his home for a one-time liquidity hit. That, according to current calculations, equates to 30 years of paying for the house: from Tares (waste charges) to VAT (on the various consumptions) and IMU (the infamous property-tax on first homes that the technical government has recently introduced as an emergency measure against the crisis), to name only a few.

All these taxes on Daniele's property would suggest that the Italian government had at some point injected a huge amount into real estate that they were trying to pay off. In reality, it put up little or no money at all, which is odd, and certainly casts a rather sinister light on the neoliberal ambition that aimed, and still aims, to make *tutti proprietari* (everyone a homeowner). This was a slogan commonplace during another era of crisis – one scarily statistically similar to the present – a slogan that the Italian state has consistently used to brainwash its citizens since the post-war era.²

After the Second World War, housing was called upon to solve the labour problems magnified by the conflict: in 1949 the Piano Fanfani became into effect. The project was deployed with the explicit intent of boosting the economy and using public intervention to support private development.³ The idea was to keep construction (and architecture to some extent) at the service of other sectors, and at a preindustrial, strictly manual level. This would allow for the

‘absorption’ of all those unskilled workers that had remained unemployed after the war, while simultaneously providing low-cost houses for the population.

Interestingly, the Piano Fanfani envisaged the possibility for occupiers to redeem their homes: in paying the equivalent of a rent (which was in essence a mortgage) over several decades (typically 30–40 years) eventually the coveted property would become their own. At which point the owners would ‘only’ have the various aforementioned taxes left to pay.

While on the one hand there has been a constant pressure to move towards widening home ownership, on the other, after the Piano Fanfani, the number of public and social housing initiatives have gradually become more exiguous (to the advantage of the private speculators). Housing prices have continued to grow due to the high levels of demand, despite the fact that since the mid-1970s, Italy (as well as the rest of the ‘developed world’) has registered stagnant, if not falling, average wages.

As a consequence, the purchasing power of the population could no longer keep up with inflation, or the pressures imposed by the market. The solution to this has been centralised personal debt, administered by the financial sector, which principally took the form of mortgages.

It is probably sensible to take on debt when making an investment likely to yield a return in the long run. But the relationship linking the mortgage system and the property market actually pushes the debtor-consumer towards a completely different direction. As long as the property market continues to go up, then the ‘value’ of the property increases proportionally, and its owner is trusted to borrow more from the banks. He or she (the debtor-consumer) can thus take out new mortgages to satisfy all those desires – whether cars,

TVs, holidays, etc – that one’s wage alone can no longer guarantee.

The problem is that the value of a property is determined by the market, which means that when bubbles burst, as in 2007–08, they can have devastating consequences – terrifying numbers of repossession, huge repayments and so on – all caused by the fact that the debt on the property is higher than its value, and all burdening the property/mortgage owner who has contracted the debt.

It is clear that what hides behind the slogan *tutti proprietari* is not really the intention to make everyone a property owner, but rather a ‘mortgage owner’. The problem is not paying off debt, but rather the ultimate goal of producing an indebted individual, perpetually bound to repay his/her own debt.

Daniele’s decision to undersell his property might seem suicidal from a financial point of view, but it is significant that, for him, a life without debt is a type of asset. What he achieves is freedom, a fortune that will elude the majority of us. Most of western society in the twenty-first century will undoubtedly live out its life in a state of perpetual debt.

- 1 Usufruct is a right of enjoyment, enabling a holder to derive profit or benefit from property that either is titled to another person or held in common ownership, as long as the property is not damaged or destroyed.
- 2 Actually, the phrase began with Fascism, though without the same insistence.
- 3 Situated in areas far away from the urban centres, which were clearly less costly to purchase, these public interventions attracted the private-property speculators, which gradually reached and hemmed them in, taking advantage of the infrastructures created by the public operator.