

***If you've the cash, one firm can take you from a wreck to a rental,
says John Price***

SUMMER 2003. You are on holiday in Italy and stumble on the most marvellous, ancient, stone-built little hideaway for sale. Against all the odds for its location -in an historic village half a morning's drive from Siena -nobody else seems to have seen it. Yes, it is tiny and a bit run-down, but you could see its potential straight away and it costs just tens, not hundreds, of thousands of pounds.

Your Italian is half-decent, so you have already agreed a quick deal, and, best of all, you have just met an interesting local builder who wants to work with you doing it up. There is only one thing that you need now. A reality consultant.

You are either dreaming or have just signed away your life savings on a house that will cost ten times more than you imagine to do up. And that's after you've spent years sorting out a bureaucratic horror show of planning rejections, costly legal disputes with neighbours, and refusal by the local council even to agree on a water supply, never mind that swimming pool.

Or you could pay more now and potentially end up better off by going to an agency that will do all the preliminaries for you.

One firm called TN Real Estate will not only iron out all the problems before you buy but also offers a design, build and management service. And, best of all, using the internet, it offers weekly virtual "site" meetings between client, architects and builders so that you can see your dream home in progress.

The company has 14 projects under way in Tuscany and another four in Umbria. One is for Greg Evans, a senior executive at a management consultancy, who is based in New York. He had been visiting Italy for a few years before deciding he would like to own his own place. He paid about Pounds 200,000 for Il Granaio, a five-bed farmhouse in that glorious triangle between Pisa, Florence (both with airports) and Siena. The property -which is basically a ruin -is in countryside off the tourist trail and comes with a two-bed barn and five acres. Mr Evans has decided to give it the big treatment and is spending Pounds 600,000 on restoration and modernisation. For that he is getting the finest of historic materials -a 250-year-old traditional terracotta floor, for instance -combined with a super-strong new steel and concrete frame hidden in the fabric of the ancient stonework, the very latest in top-quality modern fittings, and a big pool, of course.

To keep an eye on where all his money is going, Mr Evans has a "site" meeting every Monday with TN Real Estate. Without leaving New York, he can call up video clips and photographs of work in progress, check on the quality of the materials being used, inspect architectural drawings and iron out unforeseen problems with the architects and builders. Projects that might take individuals years can be turned from wrecks into palaces in 12 months or less. It also means that you can have your property finished and quickly earning rent in those vacant gaps between holidays. At least, that's the plan. TN Real Estate helps clients to locate, purchase, restore, manage and rent properties in Tuscany and Umbria. It was founded as a partnership between Tuscany Now, a London-based Italian villas agency, and Marco Vigni, who runs the family business Studio Tecnico Vigni, which has specialised in restoration and building work in Tuscany and Umbria for 40 years.

Signor Vigni, 42, divides his time between Fulham, West London, where he lives with his English wife, Deborah, and their three children, and Italy, where he runs his planning and architectural practice just outside San Gimignano.

If you are buying in Italy, you sign a preliminary agreement and hand over 25 per cent. The balance is paid roughly three months later, when all the legal and other work is completed. TN Real Estate will help with this, but it is also bringing to market

"restoration-ready" properties where all the Italian paperwork has been sorted out, consents granted, plans drawn up and builders in waiting to move on site. It prepares a technical report, which is agreed with the client at the start of the project. This sets out all plans and specifications, a timetable for building works and detailed costings. TN Real Estate puts the works out to tender among proven contractors and craftsmen, supervises the project and, above all, claims to stick to budgets.

"Problem No 1 in Italy," says Signor Vigni, "is the bureaucracy, where every little village official wants to be a star and have a say in decisions. Planning and building rules here are extremely complicated. We have the expertise to push ahead quickly.

"Our properties look more expensive, but all the problems -legal, planning and structural -have been sorted out in advance. You might get a similar property for as much as 40 per cent less elsewhere, but we might have done up to a year's work ironing out all the difficulties in advance. That way there will be no huge unforeseen expenses or costly hold-ups. Our price includes all the professional fees and statutory payments. We are not charging anything like 40 per cent for ourselves.

"At the end of the project, the client may even have saved money, and the work is delivered on time. Ninety per cent of our customers will see a house to buy one year and want it ready for holidays or rental the following year. We have surveyors and architects on site every day and can sort out problems as they arise, which avoids delays and extra costs."

The big problems for the unwary are ending up with a rogue builder or getting in a planning mess, says Signor Vigni. "There have been lots of bad stories about builders charging top prices for very poor-quality materials, and taking a 10 per cent cut under the counter from the suppliers too. How is an outsider who may not speak the language going to spot this kind of thing?"

Signor Vigni cites the case where a foreign buyer, acting on duff advice, began excavating for a swimming pool which turned out to be on the line of a Roman road.

There was nothing to see on the ground, but on the map it was very clear.

Neighbours called the police, who closed the site for six months.

The case is going to court, which will probably end in stiff fines and still no pool.

TUSCAN TIPS

PROPERTY values, operating costs and rents are all generally lower in Umbria than they are in Tuscany.

An unrestored property in Italy can be purchased for a quarter of the price of one that is ready to be occupied -but expect the difference to be made up in the construction costs.

Construction costs in Italy -including stonework, roofing, interior finishing, electrical wiring and plumbing -generally come in at about Pounds 1,000 to Pounds 1,200 per square metre.

The less of a hurry you're in to see the project completed, the less expensive - and frustrating -the process will be.

A ruined four-bedroom farmhouse will fetch anything from Pounds 100,000 to about Pounds 300,000.

The more traditional the look of the property, both inside and outside, the broader the potential market for rental and eventual resale.

The most in-demand properties for holiday rental have two or three bedrooms.

Big is not necessarily better. Larger houses do not mean larger returns: a small house (up to 125 square metres) can generate up to 12 per cent return on the investment from rental income (net of typical costs and commissions), while larger houses can expect a return of only about 5 per cent.

TN Real Estate can be contacted in the UK at 020-7684 8884, www.tnreal-estate.com and in the US at 609-921-9015, www.tuscan-hills.com
