

European prime property

Can Puglia steal Tuscany's property crown?

International buyers are moving in on Italy's heel — lured by its whitewashed baroque towns, renovation opportunities and favourable tax regime

Liz Rowlinson

Published 52 MINUTES AGO

Nearly as far south as you can travel in Italy, Puglia — the heel of the boot — is a region of compelling variety. From the striking limestone cliffs of the Adriatic coastline to the north, it segues into rolling hills carpeted in olive groves and vines dotted with its signature whitewashed *trulli*. The drystone houses with conical roofs — some with Unesco-listed status — were first used as storehouses in the 14th century. Their owners lived in fortified stone farmhouses, or *masserie*, made from the local creamy limestone, or *tufa*, whose Moorish-style [vaulted ceilings, arches and internal courtyards](#) were a legacy of the region's Arab and Byzantine influences. In Puglia's southern reaches, fishing villages look out over the gently shelving sandy beaches of the Ionian Sea.

For years, this sleepy rustic holiday destination flew under the radar of international buyers and even many Italians from the north. But that is changing. While the dramatic coastlines of Italy's southern tip compare with those of Liguria's Cinque Terre, Puglia's landscape of *trulli* and whitewashed towns is unique. Add in the lure of Italy's tax regimes and plentiful good-value renovation opportunities and you can see the appeal.

The region is beginning to rival Tuscany in the eyes of those looking for homes.

Buyer inquiries grew 62 per cent last year, compared with just 1.2 per cent in Tuscany, according to James Edition, a portal helping foreign buyers find homes for more than £500,000. High-end estate agents are rushing to the region to cater for the new demand: Coldwell Banker has opened seven offices since 2022; Engel & Völkers four since 2023; Knight Frank's first is planned later this year. And prices are rising: up 20 per cent since 2021 to €3,500 per sq metre for prime homes in the popular central area containing the *trulli*-strewn Valle d'Itria, versus 6 per cent and €4,000 respectively for those in Tuscany's Chianti and surrounding hills, according to Engel & Völkers.



Puglia's trulli date from the 14th century © Michele Ursi/Alamy

“Renovation projects are a fraction of what you might find in Tuscany’s

Renovation projects are a fraction of what you might find in Tuscany's favoured spots, if you can even find them there," says Gemma Bruce, a London-based property finder working with agents across Italy. "We have a longer list of people looking in Puglia now."

Puglia (Apulia in English) stretches from the fertile plains of the north through industrial Adriatic ports to the rugged extremities along Italy's southern heel. The northern stretch between Bari and Brindisi is the most fashionable, dotted with a fast-growing cluster of beach clubs and upscale homes and hotels. Fishing villages and low-key beach towns share the rustic feel of Italy's northern regions of Marche and Abruzzo.



South of Brindisi into the Salento peninsula — where, after centuries of Greek ownership, a Greek dialect is still spoken in some areas — it's about characterful coastal towns, such as the island-like fortress of Gallipoli, the pristine beaches of the Ionian coast and the protected national park between Otranto and Santa Maria di Leuca (where properties cannot be built). As Italy's stiletto heel narrows, the Adriatic and Ionian sit close by

built). As Italy's sunnier heel narrows, the Adriatic and Ionian sit close by on either coast. Lecce is arguably southern Italy's most beautiful city — its piazzas and basilicas elaborately carved from pale yellow *pietra leccese* limestone.

The foundations for Puglia's recent emergence were laid in 2010.

The sophisticated Borgo Egnazia resort, which opened that year, placed the region on the radar of Hollywood's A-list. It is built in the style of a traditional Puglian village with modern comforts, including its own nearby beach club La Fonte, and has hosted Madonna, the Beckhams and even the G7 summit last year.

Its success was the catalyst for more openings nearby. They include Rocco Forte's Masseria Torre Maizza — a 16th-century *masseria* in olive groves plus a golf course and Aveda spa — and several chic beach clubs such as San Domenico a Mare, part of the exclusive Masseria San Domenico resort located nearby, and Cala Maka with its raffia parasols and boho hammocks.





Among the sought-after, characterful coastal towns is the fortress town of Gallipoli © Libero Monterisi/Alamy





Lecce, 'arguably southern Italy's most beautiful city' © Robert Harding/Alamy

“These attracted the fashionable crowd and digital nomads from Milan during the pandemic,” says Diletta Giorgolo, head of residential at Italy Sotheby’s International Realty. Compared to the long-established fashionable seaside towns of Portofino, on the Italian Riviera, or northern Tuscany’s Forte dei Marmi, this coastline offers pared-down simplicity, local traditions and privacy.

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Our healthcare insurance is €900 a year here
compared to €6,000 back home**

Jeffrey Larson, a retired attorney from Minneapolis who bought a villa near Brindisi

“The bumpy roads and shops that close for lunch in rural Puglia add to its authenticity,” says Francesco Distante of estate agency Puglia Dream, which is based in Ostuni, of the area’s slow-paced allure.

The same features now appeal to international buyers, who are seeking out homes in the medieval and baroque towns dotted between Bari and Lecce. Ostuni, Nardò and Monopoli are among the most popular.

Distante says that foreign clients have increased from half of his sales before the pandemic to 80 per cent today. “Americans, French and Germans dominate the €1mn-plus market; while homes for €500,000 to €800,000 are popular with Dutch, Italians and British,” he says.

Puglia is benefiting from Italy’s new tax regimes, which have been quietly reshaping property markets across the country. The most high-profile has been the “high net worth flat tax” introduced in 2017 at €100,000. By the time the rate was increased to €200,000 last August, roughly 4,000 foreigners had relocated to Italy to benefit.



Borgo Egnazia, a resort that opened in 2010 and has hosted Madonna, the Beckhams and last year's G7 summit, put Puglia on the international radar © Cosimo Rubino

A lesser-known, but older scheme (*“rientro dei cervelli”* or return of the brains) offers returning expats and highly qualified foreigners earning below €600,000 a 50 per cent discount on domestic income tax for five years (under a previous iteration this reached 90 per cent in Italy's

years (under a previous iteration this reached 90 per cent in Italy's south). The scheme has attracted 50,000 people to Italy since 2015, according to the Ministry of Finance.

A third scheme for pensioners limits tax on foreign incomes to 7 per cent for a period of 10 years. It is restricted to those living in qualifying towns of fewer than 20,000 people across Italy's central and southern regions. It has attracted around 1,000 people since 2019, among them Jeffrey Larson, a retired immigration attorney from Minneapolis, who bought a villa near Brindisi in June. He and his husband confined their search to towns enjoying the tax break — one of several financial benefits that incentivised the purchase, he says. “The cost of living is 30 per cent lower than the US. Our healthcare insurance is €900 a year here compared to €6,000 back home.”





Rocco Forte's Masseria Torre Maizza, a 16th-century 'masseria' with olive groves plus a golf course and Aveda spa



The chic beach club at Masseria San Domenico

A new direct flight from New York to Bari, introduced in June, could fuel further interest from US buyers.

Distante notes that the stretch between Polignano a Mare and Brindisi contains much of the most expensive property in Puglia and around

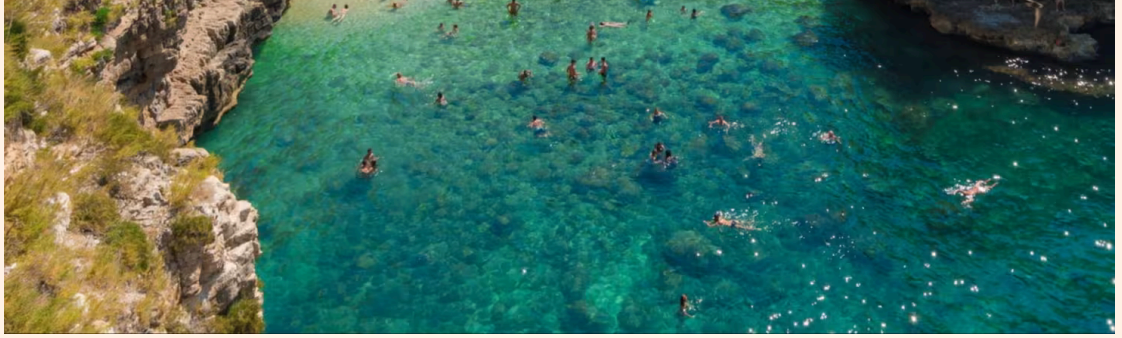
contains much of the most expensive property in Puglia; in and around the Valle d'Itria, Savelletri, Fasano Mare and Ostuni are among the most sought after for second homes. Engel & Völkers report that prices for renovated properties here can reach €6,000 per sq m, compared with €2,000 for typical unrenovated homes.

Besides Polignano a Mare, where the expansive Valle d'Itria ends in cliffs, with crystal-clear water below, and the hill town of Ostuni, Monopoli offers a labyrinth of pretty whitewashed streets and piazzas.

Sotheby's International Realty is selling a [seven-bedroom estate](#) including a *trullo* near Ostuni for €3.35mn; Coldwell Banker has a [five-trullo complex](#) with two bedrooms at €699,000.

The number of property transactions in and around Brindisi increased by 34 per cent between 2018 and 2023, according to Istat, the Italian statistics office.





Polignano a Mare, a village that rises on a cliff over the Adriatic © Valerio Mei/Alamy

Popular locations further south in addition to Lecce include Gallipoli. The small, fortified city is surrounded by the Ionian coast's sandy beaches — the best in the region.

“[Increasingly] the trend is to live not right by the sea, but a 10-minute drive behind it,” says Nino Filotico, an architect, who has extended his business to Puglia from Milan because he is so busy with requests for renovation projects. Current projects include the transformation of a historic 10-bedroom house in Cocumola for a couple from San Francisco. “I am scouting for so many properties to renovate for buyers.”



In Nardò there are festivals galore and plenty of creatives. In the winter, I loved the fact that it was not a ghost town like other areas of Italy's coast

Adam Chappell, buyer of a 500-year-old property near the town's castle

Near to Gallipoli and slightly inland is Nardò, Lecce province's second-largest town, prized for the baroque palazzi and piazza of its medieval centre and a busy calendar of cultural events such as summer concerts and its cheese festival.

Late last year, Adam Chappell bought a 500-year-old property near the

town's castle, drawn by the home's high vaulted ceilings and hand-painted tiles — and the town's buzz. He paid just €70,000 and will spend a further €200,000, half to renovate the property into a three-bedroom house for himself, the other half to convert the stable block into a flat he can rent out.





A seven-bedroom estate among olive groves in the Valle d'Itria, for sale with Sotheby's International Realty



“There are festivals galore and plenty of creatives. This summer has felt more happening than hipsville Prague [where he lives]. In the winter, I loved the fact that it was not a ghost town like other areas of Italy’s coast,” he says.

One perk of Chappell’s renovation is Italy’s exemption on capital gains tax for second homes owned for five years or more. With demand for short-term rentals increasing by 31 per cent in the two years to June, according to AirDNA, investment-driven renovations are a big part of Puglia’s appeal.

There are plenty of small rundown palazzi — built centuries ago as family homes in the beautiful golden *pietra leccese* in baroque or renaissance styles with arches, courtyards and often roof terraces.

Unrenovated properties in the Salento region cost €1,000 per sq m on average, much cheaper than the €2,500 per sq m in Chianti and the surrounding Tuscan hills, according to Engel & Völkers.

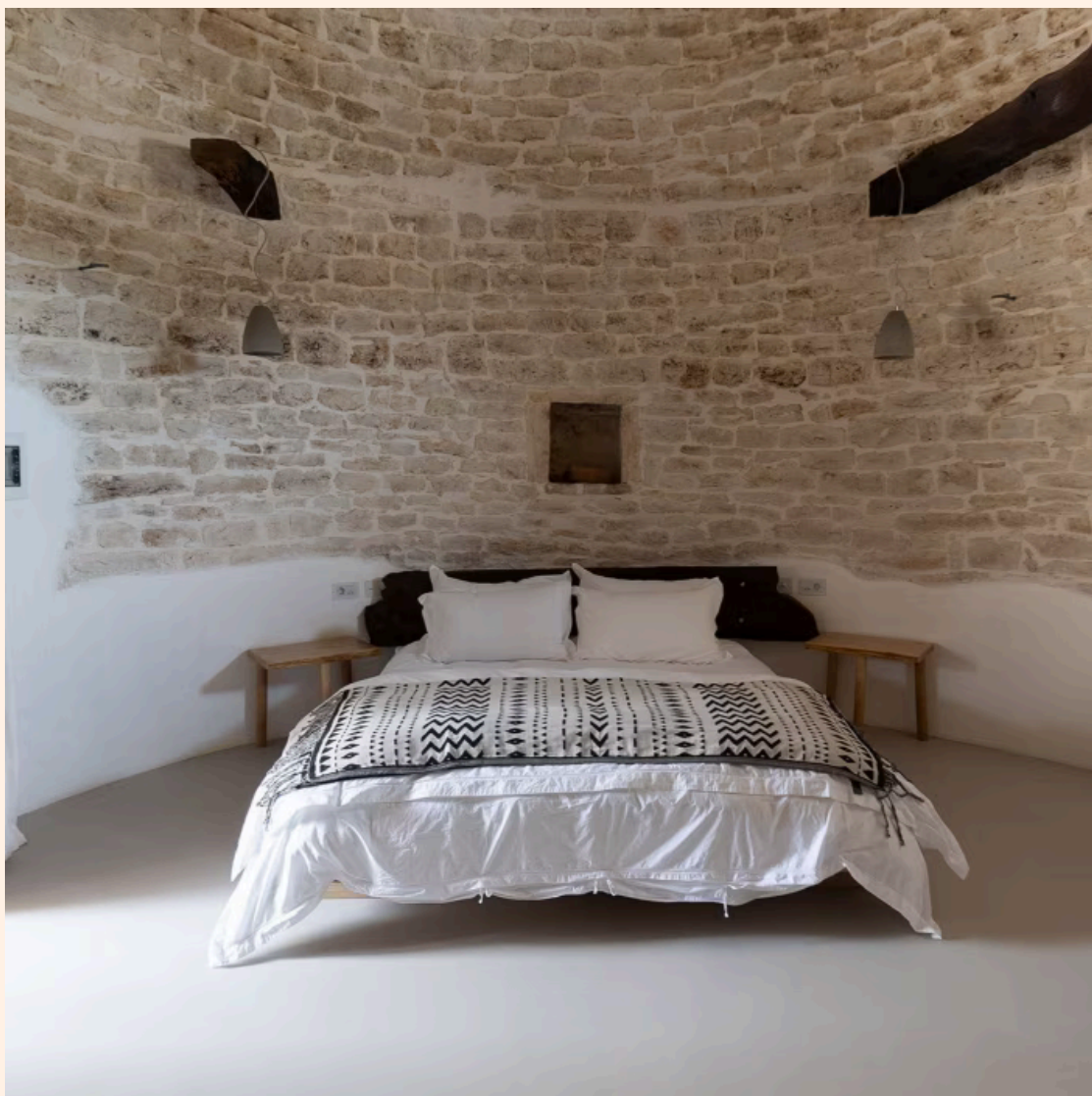


The hill town of Ostuni is receiving a lot of interest from buyers © Getty Images/iStockphoto

Juan and Zeinab from Washington are restoring a 16th-century ruin in the southerly town of Ruffano into a four-bedroom property with a three-bedroom guesthouse, employing local stonemasons, ceramicists and iron specialists.

“We had looked in Spain over several summers. [Its] Atlantic coast was too cold; the Andalusian coast crowded, but Puglia surprised us with its simplicity of life, [and] low-key historic towns,” says Zeinab.

“The Apulia region is generous with grants for those converting historical buildings for tourism purposes,” says Mikaela Bandini, an Italian-South African travel marketer and property investor, currently working on her third renovation in Nardò for Area 8, the holiday rental business she owns.



The seven-bedroom Masseria Noci, €2,550pw through Puglia Dream



A two-bedroom apartment in Alessano, €390,000 through Engel & Völkers

But southern Italy also has a reputation as something of a wild west for planning rules. Often homes have illegally closed-over courtyards, or built over gardens or on roof terraces. Caroline Edwards, of 20-year-old property consultancy Personal Puglia, warns of buying anything historic with modifications. She says that since 1942 buildings in the historic centres of towns have required planning permission; those outside the *centro storico* since 1967. “If you are buying a palazzo untouched for a century that is fine, but anything with parts built after those dates requires paperwork to prove it is legal.”

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A notary (lawyer) will spot problems, she says. Sometimes alterations may be fixable because they comply with current regulations — and the new owner might be happy to pay a fine and put it right — but illegal extensions usually need to be knocked down.

Many properties are being marketed without legalised alterations or fully legal paperwork. “We sell only vetted properties and if there is an issue

with the documents the buyer will be told,” says Distante. Engel & Völkers turns down 60 to 70 per cent of properties it is asked to sell because they have illegal alterations or there are problems with title deeds, says agent Raphaëlle Godefroy.

Planning rules mean there are no new-build developments available. But investors and hospitality groups are eyeing large estates to restore, according to Distante and Edwards. Newly opened high-end hotels include Palazzo Tafuri in Nardò and Vista Ostuni.

By 2027, with the planned opening of the Four Seasons Costa Merlata near Ostuni, the jostle with Tuscany for attention is set to reach new heights.

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