

Glorious inspiration

By Emily Backus

Published: June 19 2010 00:52 | Last updated: June 19 2010 00:52

[Print](#)


The Venice Lido has seen its fortunes change with an investment of around €700m by real estate fund manager EstCapital SGR

Motoring up a leafy canal to the water entrance of the Hotel Excelsior on the Venice Lido, you travel in the wake of Winston Churchill, Coco Chanel, Henry Ford, the (then) Princess Elizabeth, sheiks, shahs, industry magnates and an annual tide of celebrity directors and actors that began in the 1930s with Marlene Dietrich. A long white awning stretches out like a gloved arm from the palatial, ornamental Moorish façade. Spiral-striped gondola mooring poles dot the water, tipping the grace and theatre of the entrance somewhere into fantasy fulfillment.

On the other side of the decorative screen of foliage, a squalid row of neglected shops and drab concrete condominiums hem the hotel from across the street. Development doldrums have stricken the Lido for four decades, isolating the Hotel Excelsior and its elegant older sister, the Hotel Des Bains, as aging oases in an overbuilt town of 20,000 residents. Other noble structures, such as the Hungaria Palace Hotel and many prewar gothic villas, stand out like peacocks in a flock of pigeons.

From the 1900s to the 1960s, however, the Lido was one of Europe's most imminent beach resorts. The sandy island separating Venice from the Adriatic sprouted the finest modern infrastructure and luxury comforts of its era, all within a short boat ride of the footpaths and canals of Venice. Now local government and a private investment group are betting they can make the Venice Lido glitter again by restoring key property assets to leading roles they enjoyed in earlier generations.

Venice mayor Massimo Cacciari issued a statement saying the Lido is undergoing a "comprehensive redesign", in which private investors are "committing the largest financial investment ... on a Venetian island in the last century." The Lido's municipal president, Giovanni Gusso, adds: "It is incredible that in this moment, this context of global economic crisis, it's as if there's a new Renaissance for the Lido."

The island owes its change of fortune to real estate fund manager EstCapital SGR, which is committing about €700m, according to a spokesperson. "The Lido's potential is extremely strong. There is just no supply suitable for luxury demand in Venice," says Gianfranco Mossetto, EstCapital's co-founder and chairman. "But it will take heavy investment over much of the [Lido's] territory."

To that end, EstCapital's RealVenice real estate fund is renovating the town's entire 2.2km sea promenade, adding bicycle lanes and six terraces overlooking the sea. It bought the Hotel Excelsior, the Hotel Des Bains, 1,400 beach huts and other properties – including a luxury hotel not on the Lido – from Starwood Hotels & Resorts for €164m in October 2008 and struck a deal with Four Seasons Hotels & Resorts to transform the Excelsior and to convert a detached piece of the Excelsior as well as the venerable, 191-room Hotel Des Bains into luxury apartments with Four Seasons services. New homes went on sale this spring at €12,000-€20,000 per square metre. Delivery is expected at the end of 2011.

The fund is also converting a former therapeutic facility it owns in Malamocco, on the southern area of the Lido, into a "bio-island" luxury sport and wellness resort. Finally, EstCapital is ploughing €313m into buying and redeveloping the ex-Sea Hospital, an abandoned public structure on a long, green, northern chunk of sandy sea front. It will become a mixed-use vacation facility with residences, hotel rooms, shopping, and recreational services.

A 2009 study by consulting group Nomisma credits the planned redevelopment with turning the Lido into a promising real estate prospect and Franco Bombassei, head of luxury agency Venice Real Estate Srl, says: "It will stimulate general construction renewal and increase housing prices." He says the Lido's humblest homes sell for €4,000-€5,000 per square metre while prized red brick villas from the 1930s go for roughly double that.



The luxury hotel group CIGA (Compagnia Italiana Grandi Alberghi), whose influential role in the 20th century EstCapital seems eager to emulate in the 21st, left a remarkable footprint. Before it arrived a century ago the Lido was largely rural. There were farms, a military area, a seaside clinic for sickly children, a fishing village, and an ancient Jewish cemetery.

A bathing establishment swelled with day-trippers from Venice and lodgers from modest hotels. The Hotel Des Bains, opened in 1902, was the first establishment to draw international aristocrats and luminaries. CIGA built the vast Hotel Excelsior, which opened in 1908, and snapped up the island's major beach concessions as well as the Hotel Des Bains the same year. It went on to galvanise upscale development on the Lido for half a century.

A colony of luxury hotels and refined vacation villas with elite recreations flourished, along with a community to service them. In the 1930s the Excelsior gave birth to two institutions that consolidated the Lido's reputation as a worldly playground: the Venice Film Festival and the Casinó di Venezia. The hotel hosted both activities before the Palazzo del Cinema was erected next door in 1937 and the imposing gambling hall was built a few steps away in 1938.

With the dawn of jet travel, however, elite travellers increasingly soared off to more exotic destinations, including Italy's own Sardinia, and the Lido's grass runway proved too short to handle new aircraft. Meanwhile, young couples from Venice looked to the Lido in search of affordable, modern living quarters within easy commuting distance of their jobs. Developers wedged nondescript apartment buildings between gothic vacation villas and stately hotels, or built over their razed remains. The prestigious Sea Hospital was shut down and since the 1970s tourism has been largely local and residents complain of little to do.

In the early 2000s even the Venice Film Festival threatened to move elsewhere due to inadequate quarters. Local government then committed to building a new Palazzo del Cinema next to the old one, issuing a call for bids in 2004. The winning design, by architect Rudy Ricciotti, is scheduled to open in June 2011.

Plans for the new structure proved a pivotal lure for EstCapital, because it meant a new potential stream of business for the Excelsior. The two cinema buildings plus the ex-Casinó will form a cluster of congressional facilities that double the Lido's audience capacity to 5,000 seats.

Despite the new investment, however, architect and long-time Lido resident Alessandro Comin doubts the Lido can be revived as a whole. He worked on a number of hotel conversions to apartments and lives in a seafront villa his grandfather built as a hotel director for the CIGA.

"The definitive massacre has already taken place," he says. "You can't do anything about the existing condos. There are too many owners. The Lido also just isn't exquisitely beautiful, our coastline is amorphous and the sea is grey." He might have added that the sand is a muddy shade of brown. But inside the Hotel Des Bains, elegant, spacious lounging areas are attractions in themselves, a sort of time capsule to the *belle époque*.

Copyright The Financial Times Limited 2010. Print a single copy of this article for personal use. [Contact us](#) if you wish to print more to distribute to others.

"FT" and "Financial Times" are trademarks of the Financial Times. [Privacy policy](#) | [Terms](#)
© Copyright The Financial Times Ltd 2010.