

# HIGH COUNCIL DECISION N. 9/2025

of 5 December 2025

## Authorising the President of the EUI to conclude the acquisition of Villa la Fonte

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### THE HIGH COUNCIL

Having regard to the Convention setting up a European University Institute (EUI), and in particular to Articles 1, 6(6), and 28 thereof;

Having regard to the Headquarters Agreement between the government of the Italian Republic and the European University Institute of 28 July 1975, in particular to Article 2 thereof;

Having regard to the Budget and Financial Committee Meeting of 6 November 2025, in particular the Annexes to EUI Housing Challenges/EUI Assets, IUE 541/21 (CS 13).

### Whereas:

- (1) The EUI currently occupies Villa La Fonte for the Department of Economics under a non-residential lease contract. In view of the owners' declared intention to sell the property within a short timeframe, a clause was introduced granting them the right to terminate the lease with eighteen (18) months' prior notice, should they decide to sell the Villa La Fonte complex to a third-party purchaser.
- (2) During the October 2024 Budget Committee meeting, the EUI presented a detailed report outlining potential opportunities while acknowledging the significant difficulties in identifying short- and medium-term accommodation solutions within the Florence housing market, particularly for its community of young researchers. The report highlighted the potential for taking concrete steps toward the acquisition of Villa La Fonte and emphasised its value as a long-term asset offering both housing and investment benefits.
- (3) Given the absence of suitable alternative solutions for the Department of Economics, and considering the opportunities related to housing provision, the purchase of Villa La Fonte represents a more operationally feasible and cost-effective option.
- (4) The acquisition of Villa La Fonte would enable the EUI – and thus its Member States – to secure a strategic long-term real estate asset, with the added benefit of converting rental expenditures into capital investment, without requiring any additional financial contributions from the Member States.
- (5) Since 2021, the High Council-approved budget and the Pension Reserve Fund (PRF) have been treated as separate financial reporting entities, each with their own externally audited annual financial statements. Under this framework, the

EUI can implement a repayment arrangement between them that operates similarly to an inter-entity internal capital transfer with a repayment based on a loan-like model.

- (6) The acquisition of Villa La Fonte shall be made at a price not exceeding the appraised value indicated in the documents presented during the November 2025 Budget Committee meeting.

**HAS DECIDED AS FOLLOWS:**

***Article 1***

The President of the EUI is hereby authorised to purchase Villa La Fonte and shall do so without requiring any additional financial contributions from the Member States.

***Article 2***

1. The acquisition of Villa La Fonte shall not constitute a loan under commercial banking laws but shall be recognised as a compensatory internal financial arrangement between the EUI operational budget and the Pension Reserve Fund (PRF) by adopting a loan-like model with annual repayment of capital and interest as follows:
  - a. The repayment of the capital and the compensation shall be annually carried out, with an interest rate of 3.6% per annum, representing the expected return had the capital been available for being externally invested in accordance with the PRF's investment guidelines approved by the High Council.
  - b. The repayment plan shall not exceed a 28-year period, commencing from the effective date of the capital transfer.
2. The repayment of the capital transferred to the EUI budget, and the rate of compensation shall be considered as a financial obligation to be recognised annually in the EUI budget and in any multi-annual financial framework.
3. Adjustments to the repayment modalities, namely an early settlement of the capital due to the PRF may be introduced, provided that they are promptly communicated to the High Council following consultation with the Pension Supervisory Board.
4. The acquisition of Villa La Fonte shall be recognised in the financial statements of the EUI in compliance with the financial and accounting reporting framework and shall be disclosed in all relevant internal and external financial reporting with appropriate disclosure in audited financial statements.

***Article 3***

This Decision enters into force on the day of its adoption.

Done in Florence, 5 December 2025

For the High Council

*The President*

[original signed]

Miguel Poiares Maduro