

THE LOMBARDY REGIONAL ADMINISTRATIVE COURT OPENS A NEW CHAPTER IN THE PLANNING DISPUTE: UNDERESTIMATED CHARGES

With judgment no. 6 of 5 January 2026, the Lombardy Regional Administrative Court (TAR) – Milan, Section II, rejected the appeal filed by a real estate company against the decision of the Municipality of Milan requiring the monetization of territorial facilities connected to a building redevelopment project, involving demolition and reconstruction, extension, and a change of use from productive to residential.

The dispute concerned the method for calculating the 250 sqm gross floor area (SL) threshold provided for by Article 11(3) of the Rules of the Services Plan of the Milan PGT, above which the obligation arises to provide – alternatively, to monetize – urban planning standards in the event of a change of use.

The claimant company argued that the areas affected by the change of use should be considered separately, so as not to exceed the relevant dimensional threshold. Conversely, the municipal administration carried out a unitary calculation of the areas, deeming the conditions for applying the monetization obligation to be met.

The Court agreed with the Administration's approach, affirming that the assessment of the increase in the urban load must be carried out with reference to the building intervention as a whole, rather than through a fragmented or "atomistic" reading. Where a single building operation affects the same plot – implemented through the demolition of productive and office buildings and the reconstruction of a new, entirely residential complex – the SL subject to the change of use must necessarily be calculated on a unitary basis.

According to the TAR, a fragmented interpretation of the areas would "*illogically exclude from the provision of standards interventions that significantly affect the urban load,*" as it could be easily achieved through "*artificial subdivisions.*" The 250 sqm threshold, in fact, aim at identifying a minimum level of urban planning relevance and must therefore be applied according to a substantive, rather than merely formal, criterion.

The Milanese court also reiterated that the monetization of standards constitutes a public-law pecuniary obligation, attributable to an ordinary obligational relationship, and that disputes concerning its quantification fall within the exclusive jurisdiction of the administrative courts.

Conclusions

The judgment consolidates a strict approach to territorial facilities, clarifying that, in the presence of complex, unitary building interventions, verification of

the relevant dimensional threshold must be based on an overall assessment of the operation. Consequently, municipal determinations are legitimate where, in order to safeguard the balance of the urban load, they exclude fragmented approaches to the calculation of SL and require the provision – or monetization – of standards whenever the intervention, considered as a whole, exceeds the limits set by urban planning regulations. This further clarification aligns with recent case law and contributes to completing the interpretative framework of Milanese urban planning.

DISCLAIMER

The sole purpose of this *Client Alert* is to provide general information. Consequently, it does not represent a legal opinion nor can it in any way be considered as a substitute for specific legal advice.

2

Laura Sommaruga, Partner
Email: laura.sommaruga@grplex.com

Abdurrahman Gad Elrab, Associate
Email: abdurrahman.gadelrab@grplex.com