

Tokenizing Real Estate: Trends in Italy and Switzerland

Real estate tokenization means representing a property as digital tokens on a blockchain. For example, a €100,000 house could be split into 1,000 tokens worth €100 each, with each token holder entitled to a corresponding share of rent or sale proceeds. The blockchain ledger securely records every token transaction, and smart contracts can automate payments and transfers. This model opens real estate to more investors and automates many steps of buying or selling property.

Key Benefits of Tokenization

- **Fractional Ownership:** Any investor can buy a small share of a property, instead of needing to buy an entire building.
- **24/7 Liquidity:** Tokenized shares can be traded on digital platforms at any time, making it easier to buy or sell an investment stake than a whole property.
- **Transparency & Security:** The blockchain provides an immutable audit trail of ownership and transactions, reducing fraud risk. All token transfers are publicly verifiable, which increases trust.
- **Lower Costs and Faster Settlement:** Smart contracts automate registry and settlement, cutting out many traditional intermediaries (like notaries) and reducing fees and delays.

European Regulatory Context

Europe currently treats most real-estate tokens under existing securities law. New EU rules (such as the Markets in Crypto-Assets Regulation and the DLT Pilot Regime) set broad standards, but in practice tokens representing property are managed like traditional securities. For example, in March 2023 Italy approved a decree explicitly allowing companies to issue shares, bonds and other financial instruments as blockchain “security tokens”. This aligns with the EU pilot regime and even permits issuing unlisted securities via DLT. Switzerland (outside the EU) went further in 2021: its new “DLT Act” gives formal legal status to blockchain-based securities. The Swiss regulator (FINMA) categorizes tokens by function (payment, utility, asset) and treats asset-backed tokens as regulated financial instruments. In short, both Italy and Switzerland aim to combine innovation with investor protection by applying “same risks, same rules” to tokens.

Switzerland: Leading the Way

Switzerland is often cited as a global benchmark for tokenization. Its 2021 DLT Act provides clear legal certainty for blockchain securities, and FINMA explicitly permits licensed exchanges to handle tokenized assets under familiar rules. The country has also built infrastructure: for example, the SIX Digital Exchange (SDX) launched in 2021 to settle tokenized trades, and in 2025 Switzerland approved BX Digital, the first FINMA-authorized DLT trading platform for digital securities.

Practical projects illustrate Switzerland’s lead. In 2019 a Swiss pilot (the “Hello World” deal) tokenized 20% of a residential apartment building. By 2025 a regulated Swiss fund began issuing

tokenized real-estate shares on a public blockchain. More recently, BrickMark (a Swiss fintech) successfully sold tokens for a portfolio of high-end Zurich apartments (roughly CHF 130 million). These milestones show that Swiss tokenization is moving beyond the lab into real investment programs, supported by a stable legal framework.

Italy: Cautious Progress

Italy is actively developing tokenization within a regulated framework. The March 2023 “DLT decree” explicitly enables Italian companies to issue and transfer securities in digital form. This innovation lets small and medium businesses raise funds via blockchain-based shares or bonds, in line with EU pilot rules. Italy’s financial authorities have also launched a fintech sandbox (called STAI) to test security-token offerings, including tokenized investment funds. These steps aim to modernize finance while protecting investors.

Major Italian institutions and startups are now running tokenized deals under these rules. Italy’s Cassa Depositi e Prestiti issued a €500 million green bond using blockchain reporting. Credit Agricole-backed BlockInvest began selling digital tokens tied to Italian real estate and even distressed debt. Asset manager Black Manta Capital issued a blockchain bond backed by a Sardinian storage-property project. Even energy companies are experimenting – for example Enel tokenized investment in a Tuscan solar farm. Platforms like MetaWealth and Brickken (originally Swiss/Spanish) are listing Italian properties as tokens. Regulators stress caution – tokenized assets still fall under investor-protection laws (MiFID, MiCA). These pilots show Italy’s market taking shape: it’s growing quickly but within the guardrails of law and supervision.