

Sales of real estate units and loans

III quarter 2009

Istat has published data for the third quarter of 2009 on notarial deeds for both the sale of real estate units - divided into residential units (homes and appurtenances) and business units - and the stipulation of mortgage-secured and non-mortgage-secured loans.

The data for the first and second quarter of 2009 presented in this summary report include records of the District Notarial Archive for the Province of L'Aquila. As such, they replace and rectify the data published in the Statistics in Brief of 17 December 2009 which, due to the earthquake of 6 April, did not include district notarial records for L'Aquila for 2009.

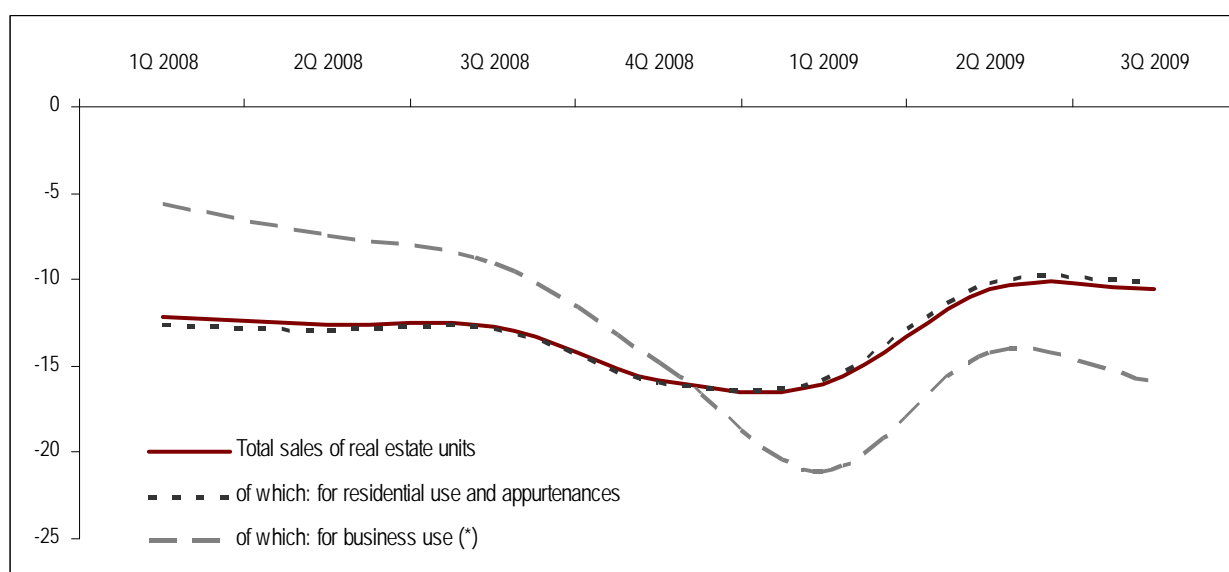
In the Italian version of Istat website is available a set of tables for the years 2007, 2008, 2009 (I-III quarter) containing regional details and records from various District Notarial Archives.

Notarial deeds – Sale of real estate units

In the third quarter of 2009, nationwide real estate unit sales agreements¹ totalled 174,800, down 10.5% over the same period for the previous year. Of these, 162,514 (93%) concerned homes and appurtenances and 10,924 (6.2%) real estate units for business purposes (Table 1).

In relation to type of use, sales of properties for business use dropped most, recording a downturn of 15.9%, whereas sales of residential properties fell 10.1%. This different pattern between the two types of property also characterises the first two quarters of 2009 and can be attributed to the fact that business property sales, unlike others, were probably affected to a greater extent by the current economic situation (Figure 1).

Figure 1 – Sales of real estate units by type of use. I quarter 2008–III quarter 2009 (year over year percentage changes)



(*) Artisan, commercial, industrial use; office use; rural use (rural buildings not appurtenant to agricultural land).

¹ Including sales of properties and appurtenances for residential use, business use, special use (excluding boat moorings) and time-share properties.

Table 1 – Sales of real estate units by quarter, type of use and geographical distribution. I-III quarter 2009 (absolute values and year over year percentage changes)

GEOGRAPHICAL AREAS	I quarter		II quarter		III quarter		I-III quarter	
	Number	2009/2008 % change	Number	2009/2008 % change	Number	2009/2008 % change	Number	2009/2008 % change
TOTAL								
North-West	61,07	-17,7	76,199	-10,2	55,380	-13,7	192,644	-13,7
North-East	36,017	-18,9	45,406	-9,0	34,472	-12,4	115,895	-13,3
Centre	38,826	-16,2	44,294	-14,3	35,378	-10,7	118,498	-13,9
South	33,580	-12,1	37,276	-8,5	32,745	-5,7	103,601	-8,8
Islands	16,901	-11,4	19,095	-10,5	16,825	-4,0	52,821	-8,8
Italy	186,389	-16,1	222,270	-10,5	174,800	-10,5	583,459	-12,4
OF WHICH: FOR RESIDENTIAL USE AND APPURTENANCES								
North-West	56,518	-17,6	70,669	-9,8	51,426	-13,1	178,613	-13,4
North-East	32,970	-18,0	41,805	-8,4	31,750	-11,8	106,525	-12,6
Centre	36,084	-15,6	41,404	-13,7	33,066	-10,2	110,554	-13,3
South	31,083	-11,8	34,339	-8,9	30,378	-5,9	95,800	-8,9
Islands	15,858	-11,8	17,986	-10,0	15,894	-3,6	49,738	-8,7
Italy	172,513	-15,8	206,203	-10,2	162,514	-10,1	541,230	-12,0
OF WHICH: FOR BUSINESS USE (b)								
North-West	3,876	-21,3	4,681	-15,0	3,463	-20,8	12,020	-18,8
North-East	2,736	-26,9	3,196	-15,8	2,411	-20,3	8,343	-21,0
Centre	2,530	-21,5	2,670	-18,7	2,108	-17,9	7,308	-19,5
South	2,160	-18,0	2,541	-3,1	2,108	-0,3	6,809	-7,6
Islands	936	-5,3	968	-17,4	834	-7,5	2,738	-10,6
Italy	12,238	-21,1	14,056	-14,2	10,924	-15,9	37,218	-17,1

(a) Artisan, commercial, industrial use; office use; rural use (rural buildings not appurtenant to agricultural land)

In the third quarter of 2009 real estate unit sales fell less in the South and the Islands (respectively -5.7% and -4%). Figures for Central Italy (-10.7%) remained basically in line with the rest of the country, while the North-West and the North-East recorded a more marked downturn respectively of -13.7% and -12.4%. In general this trend is common to sales of real estate units for both residential and business purposes.

As regards the first two quarters of 2009, sales of real estate units for business purposes recorded in metropolitan city notarial archives again indicated a slightly higher downturn (-16.2%) compared to that recorded in the remaining district archives (-15.7%) (Table 2).

Table 2 – Sale of real estate units by quarter, type of use and District Notarial Archive. I-III quarter 2009 (absolute values and year over year percentage changes)

TYPE OF DISTRICT NOTARIAL ARCHIVE	I quarter		II quarter		III quarter		I-III quarter	
	Number	2009/2008 % change	Number	2009/2008 % change	Number	2009/2008 % change	Number	2009/2008 % change
TOTAL								
Located in metropolitan cities (a)	79,556	-16,8	96,354	-10,7	71,196	-10,3	247,106	-12,6
Located in other cities	106,833	-15,6	125,916	-10,4	103,604	-10,7	336,353	-12,2
Total	186,389	-16,1	222,270	-10,5	174,800	-10,5	583,459	-12,4
OF WHICH: FOR RESIDENTIAL USE AND APPURTENANCES								
Located in metropolitan cities (a)	74,229	-16,5	90,054	-10,3	66,468	-9,8	230,751	-12,3
Located in other cities	98,284	-15,2	116,149	-10,2	96,046	-10,3	310,479	-11,9
Total	172,513	-15,8	206,203	-10,2	162,514	-10,1	541,230	-12,0
OF WHICH: FOR BUSINESS USE (b)								
Located in metropolitan cities (a)	4,368	-21,6	5,204	-15,8	4,037	-16,2	13,609	-17,9
Located in other cities	7,870	-20,8	8,852	-13,1	6,887	-15,7	23,609	-16,6
Total	12,238	-21,1	14,056	-14,2	10,924	-15,9	37,218	-17,1

(a) Milano, Torino, Venezia, Trieste, Genova, Bologna, Firenze, Roma, Napoli, Bari, Reggio Calabria, Messina, Catania, Palermo, Cagliari.

(b) Artisan, commercial, industrial use; office use; rural use (rural buildings not appurtenant to agricultural land)

Notarial deeds – Stipulation of loans and grants of mortgages

Nationwide, in the third quarter of 2009 some 174,974 loans were stipulated, of which 103,709 (59.3%) were mortgage-secured and 71,265 (40.7%) were non-mortgage-secured (Table 3).

Compared to the third quarter of 2008, the total number of loans remained substantially stable, dropping a mere 0.8%. In particular, non-mortgage-secured loans recorded an upturn of 2.9% while mortgage-secured loans dropped 3.1% (Figure 2).

Figure 2 – Stipulated loans by mortgage- and non-mortgage backing. I quarter 2008–III quarter 2009 (year over year percentage changes).

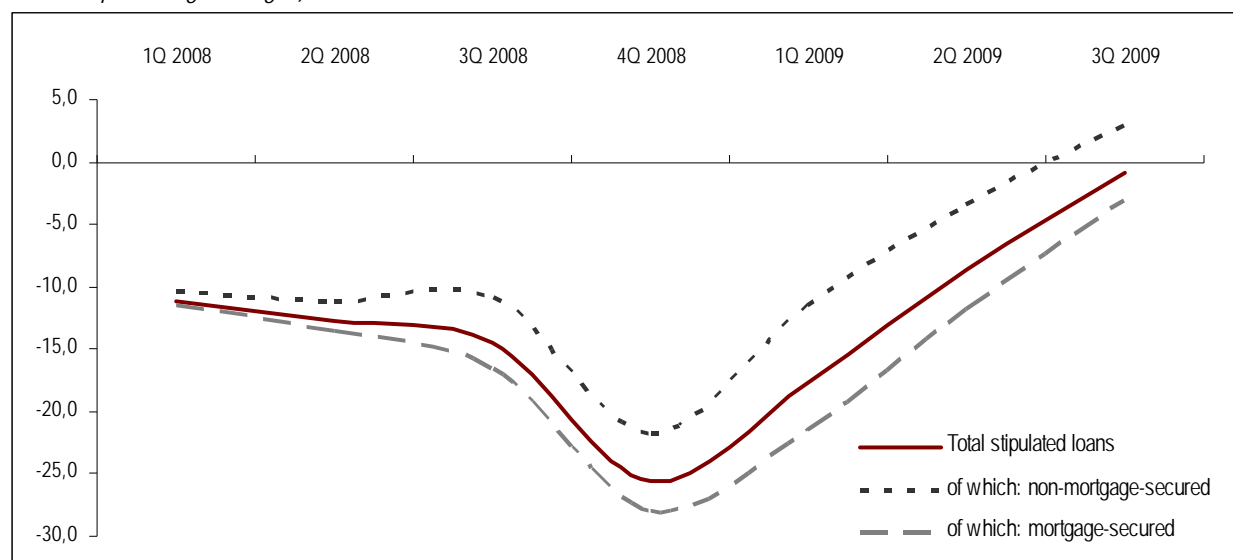


Table 3 – Stipulated loans by quarter, mortgage- and non-mortgage backing and geographic distribution. I-III quarter 2009 (absolute values and year over year percentage changes)

GEOGRAPHICAL DISTRIBUTION	I quarter		II quarter		III quarter		I-III quarter	
	Number	2009/2008 % change	Number	2009/2008 % change	Number	2009/2008 % change	Number	2009/2008 % change
NON-MORTGAGE-SECURED								
North-West	17,749	-2.9	22,555	3.0	18,425	-0.5	58,729	0.0
North-East	15,038	-3.9	19,946	8.2	17,347	10.3	52,331	5.1
Central Italy	16,279	-11.8	20,091	-3.4	17,484	4.6	53,854	-3.8
South	11,806	-25.0	14,750	-18.1	13,373	-1.8	39,929	-15.7
Islands	4,205	-21.7	4,999	-18.0	4,636	-0.9	13,840	-14.3
Italy	65,077	-11.4	82,341	-3.4	71,265	2.9	218,683	-4.1
MORTGAGE-SECURED								
North-West	30,689	-22.9	40,180	-12.9	32,894	-10.7	103,763	-15.5
North-East	23,622	-14.4	30,826	-5.6	27,473	3.1	81,921	-5.7
Central Italy	18,744	-21.7	23,404	-12.4	20,297	-2.0	62,445	-12.5
South	12,988	-25.6	16,627	-15.5	15,082	3.5	44,697	-13.6
Islands	6,951	-28.2	9,050	-17.7	7,963	-4.0	23,964	-17.3
Italy	92,994	-21.5	120,087	-11.8	103,709	-3.1	316,790	-12.4
TOTAL								
North-West	48,438	-16.6	62,735	-7.8	51,319	-7.3	162,492	-10.5
North-East	38,660	-10.6	50,772	-0.6	44,820	5.8	134,252	-1.8
Central Italy	35,023	-17.4	43,495	-8.5	37,781	1.0	116,299	-8.7
South	24,794	-25.3	31,377	-16.7	28,455	0.9	84,626	-14.6
Islands	11,156	-25.9	14,049	-17.8	12,599	-2.9	37,804	-16.2
Italy	158,071	-17.7	202,428	-8.6	174,974	-0.8	535,473	-9.2

In the third quarter of 2009 non-mortgage secured loans registered a positive trend in the North-East and Central Italy, respectively of 10.3% and 4.6%.

Mortgage-secured loans rose compared to the third quarter of 2008 only in the North-East and the South of the country (respectively 3.1% and 3.5%) whereas in the North-West they recorded a negative year over year variation of 10.7%.

Lastly, a different trend in loan stipulation emerges from the records of district notarial archives located in the metropolitan cities and the records of the remaining archives considered collectively (Table 4). Whereas in the first quarter of 2009 a downturn can be observed for both types of loans (and which was more marked in the district notarial archives located in the metropolitan cities), in the second quarter non-mortgage-secured loan records of archives outside the metropolitan cities indicated a recovery of 0.2%, rising to 5.9% in the third quarter. Meanwhile, the number of loans filed at archives located in the metropolitan cities continued to drop, although less sharply compared to the first six months of the year.

Table 4 – Stipulated loans by quarter, mortgage- and non-mortgage backing and type of district notarial archive. I-III quarter 2009 (*absolute values and year over year percentage changes*)

TYPE OF DISTRICT NOTARIAL ARCHIVE	I quarter		II quarter		III quarter		I-III quarter	
	Number	2009/2008 % change	Number	2009/2008 % change	Number	2009/2008 % change	Number	2009/2008 % change
NON-MORTGAGE-SECURED								
Located in metropolitan cities (a)	25,492	-14.2	31,698	-8.6	26,348	-1.9	83,538	-8.5
Located in other cities	39,585	-9.6	50,643	0.2	44,917	5.9	135,145	-1.2
Total	65,077	-11.4	82,341	-3.4	71,265	2.9	218,683	-4.1
MORTGAGE-SECURED								
Located in metropolitan cities (a)	37,024	-24.4	47,218	-15.8	39,350	-7.6	123,592	-16.3
Located in other cities	55,970	-19.5	72,869	-9.0	64,359	-0.2	193,198	-9.8
Total	92,994	-21.5	120,087	-11.8	103,709	-3.1	316,790	-12.4
TOTAL								
Located in metropolitan cities (a)	62,516	-20.6	78,916	-13.1	65,698	-5.4	207,130	-13.3
Located in other cities	95,555	-15.6	123,512	-5.5	109,276	2.2	328,343	-6.4
Total	158,071	-17.7	202,428	-8.6	174,974	-0.8	535,473	-9.2

(a) Milano, Torino, Venezia, Trieste, Genova, Bologna, Firenze, Roma, Napoli, Bari, Reggio Calabria, Messina, Catania, Palermo, Cagliari.

Methodological notes

A survey is conducted each year on notarial activity by collecting data directly from the approximately 5,000 notaries in operation. Notaries submit quarterly statistical data to the relevant District Notarial Archive which first checks that the data are complete and compliant with quality requirements then transmits them to the Central Notarial Archives Office. The latter, after performing further verification, sends the data to Istat.

The survey model used² provides a comprehensive overview of notarial activity and a set of socio-economic information that is significant for the collectivity as a whole. The agreements stipulated by notaries are organised into groups to highlight the most significant phenomena. Among the main agreements contained under the category “Deeds of transfer for valuable consideration” is the sale of real estate units distinguished in terms of their intended use: residential; business (rural buildings, offices, artisan, commercial and industrial use, special use, time-share). Among the agreements contained under the category “Warranty deeds” are mortgage-secured property loans, finance and other bonds distinguished according to whether they are granted by a bank or entity other than a bank.

² Cf. Appendix to Information Volume n. 43 of 2001 “Notarial activity. Years 1998-1999. A regional analysis.”

Lastly, included in the category “Mandatory deeds” are agreements for the stipulation of loans, finance and credit facilities that are not secured by real estate mortgage.

Glossary

District notarial archive: under the administration of the Ministry of Justice, its task is to preserve past notarial deeds, monitor the exercise of notarial functions, regularise deposited notarial deeds, publish testaments and manage the general registry of testaments, and issue copies of the preserved deeds. At present there are 94 District Notarial Archives in Italy³.

Notarial deed: formal expression of the will of an individual or group of associates made before a notary.

Sale of real estate units: agreements relating to the sale of: rural buildings not appurtenant to agricultural land; real estate units and appurtenances for residential use; real estate units for office use; real estate units for artisan, commercial and industrial use; real estate units for special use (excluding boat moorings); time-share properties. For statistical purposes the sale of a share in a property is considered equivalent to the sale of an entire property. Therefore both the sale of an entire property or a share (or several shares simultaneously) are surveyed as individual agreements.

Sale of rural buildings, that are not appurtenant to agricultural land: instrumental asset for the exercise of agricultural activity (art. 9 of Legislative Decree 557/93 and subsequent amendments and integrations). Land registry category D/10.

Sales of real estate units and appurtenances for residential use: land registry category A (excluding A/10) and C (excluding C/1 and C/3).

Sales of real estate units for office use: land registry category A/10.

Sales of real estate units for artisan, commercial and industrial use: land registry categories C/1, C/3 and D (excluding D/10).

Sales of real estate units for special use (excluding boat moorings): land registry category B.

Sales of time-share properties: purchase of a share of a property, occupancy of which is limited to a given rotating time period.

Agreement: understanding or contract contained in a notarial deed.

Mortgage-secured loan: agreement by which a loan, finance or other bonds issued by a bank is secured by a real estate mortgage; agreement by which a loan, finance or other bonds issued by an entity other than a bank is secured by a real estate mortgage.

Non-mortgage-secured loan: agreements related to loans, finance and credit facilities. This is a residual category of that described above and comprises only unsecured loans, finance and credit facilities (i.e. unsecured by any type of asset-related or personal guarantee) or assisted by personal or asset-related guarantees (excluding real estate) specifically provided for the purpose (e.g. surety or lien).

Contact persons:

Division for Statistical Registers, Administrative data and statistics on Public Administration
ISTAT – Italian National Institute of Statistics
Viale Liegi, 13 – 00198 Rome, Italy

Annamaria Urbano
ph +39 06 4673.7234
Maura Steri
ph +39 06 4673.7244

³ Ministry of Justice: Decree of 30 July 1997 (published in ordinary supplement n. 199 of the Official Journal of 1 October 1997 – general series – n. 229); Decree of 23 December 2009 (published in the Official Journal of 28 December 2009 – general series – n. 300).