

## Sales of real estate units and loans

III quarter 2011

Istat has published data for the third quarter of 2011 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.

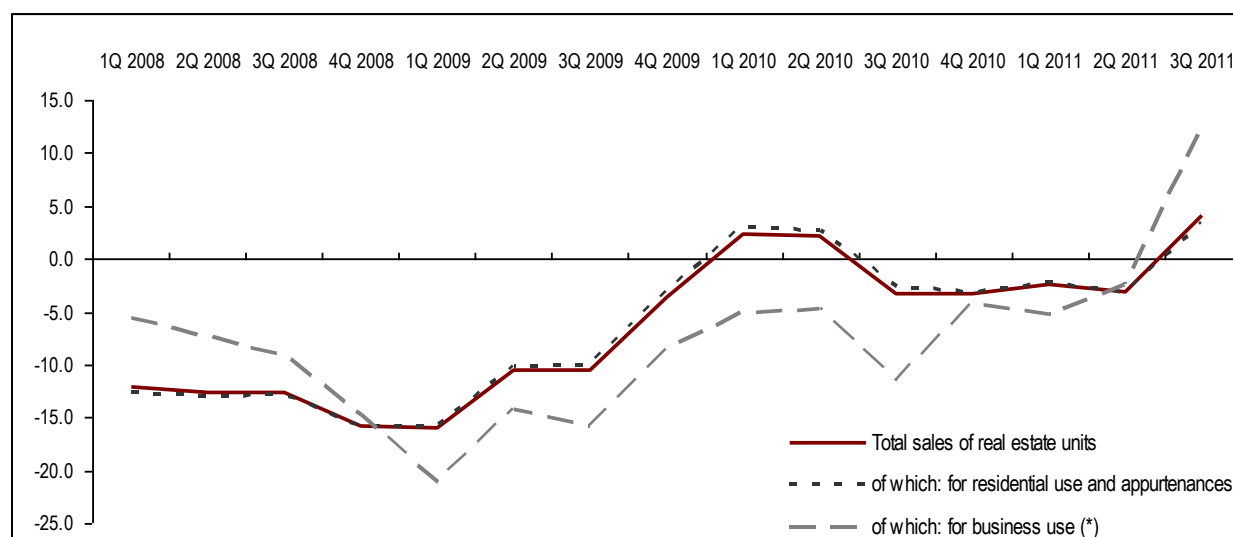
In the Italian version of Istat website is available a set of tables containing regional details and records from various District Notarial Archives.

### Notarial deeds – Sale of real estate units

In the third quarter of 2011, nationwide real estate unit sales agreements<sup>1</sup> totalled 175,644, up 4.0% over the same period for the previous year. Of these, 163,563 (93.1%) concerned homes and appurtenances and 10,857 (6.2%) real estate units for business purposes (Table 1).

In relation to type of use, sales of residential properties rose by 3.4%, whereas sales of properties for business use rose by 12.4% (Figure 1).

Figure 1 – Sales of real estate units by type of use. I quarter 2008 - III quarter 2011 (year over year percentage changes)



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

In the third quarter of 2011, sales of real estate units registered a positive trend in all the geographical areas. The Islands registered the best trend with a growth of 10.9% for the sales for residential use and of 24.2% for the sales for business use.

<sup>1</sup> 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 2011 (absolute values and year over year percentage changes)**

GEOGRAPHICAL DISTRIBUTION	I quarter		II quarter		III quarter		I-III quarter	
	Number	2011/2010 per cent change	Number	2011/2010 per cent change	Number	2011/2010 per cent change	Number	2011/2010 per cent change
TOTAL								
North-West	61,768	-0.3	73,871	-2.5	58,021	4.0	193,660	0.1
North-East	36,425	-2.5	43,112	-4.6	35,655	2.3	115,192	-1.9
Centre	39,481	-1.0	45,338	-3.3	35,943	2.0	120,762	-1.0
South	32,098	-6.9	36,766	-8.1	30,279	4.7	99,143	-4.1
Islands	16,452	-3.7	20,818	8.2	15,746	11.5	53,016	5.1
<b>Italy</b>	<b>186,224</b>	<b>-2.4</b>	<b>219,905</b>	<b>-3.2</b>	<b>175,644</b>	<b>4.0</b>	<b>581,773</b>	<b>-0.9</b>
OF WHICH: FOR RESIDENTIAL USE AND APPURTENANCES								
North-West	57,743	0.1	68,889	-2.3	53,903	3.3	180,535	0.1
North-East	33,492	-2.8	39,941	-4.4	32,988	1.9	106,421	-2.0
Centre	37,053	-0.8	42,617	-3.1	33,787	1.9	113,457	-0.9
South	29,929	-6.6	34,125	-8.4	28,055	3.7	92,109	-4.4
Islands	15,562	-3.6	19,458	7.6	14,830	10.9	49,850	4.7
<b>Italy</b>	<b>173,779</b>	<b>-2.2</b>	<b>205,030</b>	<b>-3.1</b>	<b>163,563</b>	<b>3.4</b>	<b>542,372</b>	<b>-0.9</b>
OF WHICH: FOR BUSINESS USE (a)								
North-West	3,368	-8.8	4,220	-4.1	3,665	14.6	11253.0	-0.4
North-East	2,652	2.8	2,817	-5.0	2,424	10.1	7893.0	1.9
Centre	2,259	-3.3	2,493	-4.8	1,973	1.6	6725	-2.5
South	1,923	-9.9	2,335	-2.6	1,973	19.3	6231	0.7
Islands	798	-7.9	1,192	18.7	822	24.2	2812.0	11.1
<b>Italy</b>	<b>11,000</b>	<b>-5.3</b>	<b>13,057</b>	<b>-2.5</b>	<b>10,857</b>	<b>12.4</b>	<b>34914</b>	<b>0.7</b>

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

For the sales for residential use the upward trend observed in the notarial archives district located in metropolitan cities (+4.1%) is slightly higher than that registered in the other cities (+3.9%) (Table 2). With regard to the sales of property for business purposes, on the contrary, the growth registered in metropolitan city notarial archives (+11.8%) is smaller than that recorded in the remaining district archives (+12.7%).

**Table 2 – Sales of real estate units by quarter, type of use and District Notarial Archive. I-III quarter 2011 (absolute values and year over year percentage changes)**

TYPE OF DISTRICT NOTARIAL ARCHIVE	I quarter		II quarter		III quarter		I-III quarter	
	Number	2011/2010 per cent change	Number	2011/2010 per cent change	Number	2011/2010 per cent change	Number	2011/2010 per cent change
TOTAL								
Located in metropolitan cities (a)	82,354	0.2	96,863	-2.3	73,966	4.1	253,183	0.3
Located in other cities	103,870	-4.3	123,042	-3.9	101,678	3.9	328,590	-1.7
<b>Total</b>	<b>186,224</b>	<b>-2.4</b>	<b>219,905</b>	<b>-3.2</b>	<b>175,644</b>	<b>4.0</b>	<b>581,773</b>	<b>-0.9</b>
OF WHICH: FOR RESIDENTIAL USE AND APPURTENANCES								
Located in metropolitan cities (a)	77,437	0.4	91,128	-1.8	69,230	3.5	237,795	0.4
Located in other cities	96,342	-4.2	113,902	-4.1	94,333	3.4	304,577	-1.9
<b>Total</b>	<b>173,779</b>	<b>-2.2</b>	<b>205,030</b>	<b>-3.1</b>	<b>163,563</b>	<b>3.4</b>	<b>542,372</b>	<b>-0.9</b>
OF WHICH: FOR BUSINESS USE (b)								
Located in metropolitan cities (a)	4,124	-4.0	4,769	-6.0	4,054	11.8	12,947	-0.4
Located in other cities	6,876	-6.0	8,288	-0.3	6,803	12.7	21,967	1.4
<b>Total</b>	<b>11,000</b>	<b>-5.3</b>	<b>13,057</b>	<b>-2.5</b>	<b>10,857</b>	<b>12.4</b>	<b>34,914</b>	<b>0.7</b>

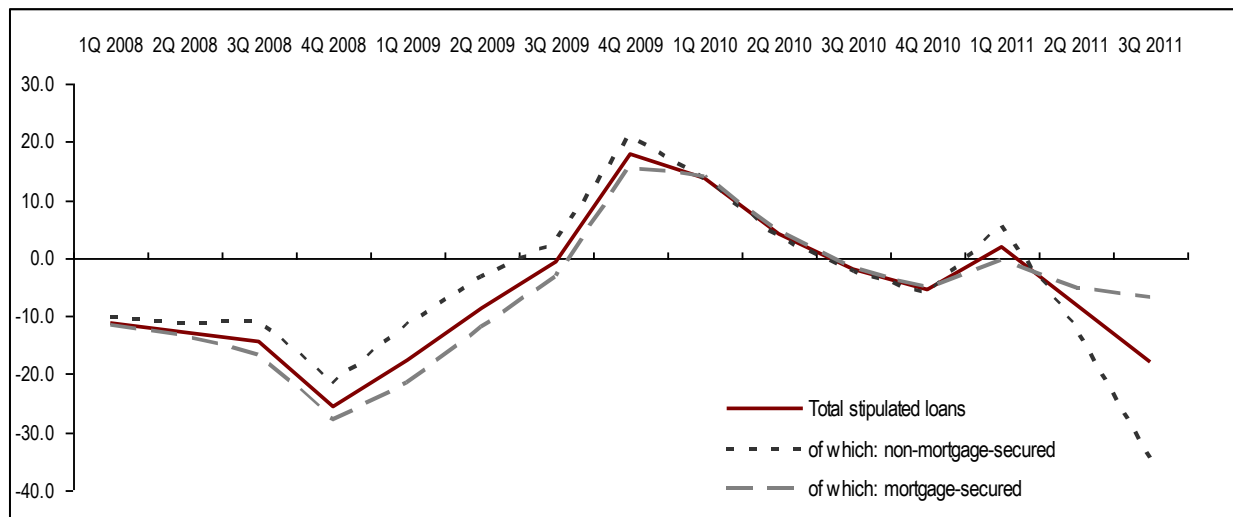
(a) Milano, Torino, Venezia, Trieste, Genova, Bologna, Firenze, Roma, Napoli, Bari, Reggio Calabria, Messina, Catania, Palermo, Cagliari.

(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 2011, 140,665 loans were stipulated, of which 95,099 (67.6%) were mortgage-secured and 45,566 (32.4%) were non-mortgage-secured (Table 3).

**Figure 2 – Stipulated loans by mortgage- and non-mortgage backing. I quarter 2008 - III quarter 2011 (year over year percentage changes).**



The total number of loans decreased by 18.1% compared to the third quarter of 2010. Non-mortgage-secured loans recorded a reduction of 34.6%, while mortgage-secured loans fell by 6.7% (Figure 2).

**Table 3 – Stipulated loans by quarter, mortgage- and non-mortgage backing and geographic distribution. I-III quarter 2011 (absolute values and year over year percentage changes)**

GEOGRAPHICAL DISTRIBUTION	I quarter		II quarter		III quarter		I-III quarter	
	Number	2011/2010 per cent change	Number	2011/2010 per cent change	Number	2011/2010 per cent change	Number	2011/2010 per cent change
NON-MORTGAGE-SECURED								
North-West	21,532	16.9	19,773	-11.9	13,525	-26.0	54,830	-7.3
North-East	16,353	0.5	15,131	-20.9	9,697	-40.0	41,181	-20.1
Centre	19,618	1.5	18,168	-14.5	10,240	-41.8	48,026	-17.5
South	14,883	2.0	14,159	-14.6	8,455	-35.8	37,497	-15.4
Islands	5,383	4.7	7,409	29.9	3,649	-19.3	16,441	7.0
<b>Italy</b>	<b>77,769</b>	<b>5.4</b>	<b>74,640</b>	<b>-12.3</b>	<b>45,566</b>	<b>-34.6</b>	<b>197,975</b>	<b>-13.4</b>
MORTGAGE-SECURED								
North-West	35,319	3.8	39,567	-5.7	31,325	-6.9	106,211	-3.1
North-East	24,864	-2.7	27,914	-9.6	23,833	-8.5	76,611	-7.1
Centre	21,338	-2.0	22,842	-7.4	19,391	-3.9	63,571	-4.6
South	15,321	-4.9	17,151	-7.0	13,618	-6.4	46,090	-6.1
Islands	8,643	2.2	11,360	19.3	6,932	-8.0	26,935	5.6
<b>Italy</b>	<b>105,485</b>	<b>-0.4</b>	<b>118,834</b>	<b>-5.3</b>	<b>95,099</b>	<b>-6.7</b>	<b>319,418</b>	<b>-4.2</b>
TOTAL								
North-West	56,851	8.4	59,340	-7.9	44,850	-13.6	161,041	-4.6
North-East	41,217	-1.4	43,045	-13.9	33,530	-20.6	117,792	-12.1
Centre	40,956	-0.3	41,010	-10.7	29,631	-21.6	111,597	-10.6
South	30,204	-1.6	31,310	-10.6	22,073	-20.4	83,587	-10.5
Islands	14,026	3.2	18,769	23.3	10,581	-12.2	43,376	6.1
<b>Italy</b>	<b>183,254</b>	<b>2.0</b>	<b>193,474</b>	<b>-8.1</b>	<b>140,665</b>	<b>-18.1</b>	<b>517,393</b>	<b>-7.9</b>

In the third quarter of 2011, all the geographical area registered a negative trend for both types of mortgage.

Non-mortgage secured loans registered the worst trend in the Centre (-41.8%) and the best trend in the Islands (-19.3%), is under the national average the decrease observed in the North-west (-26.0%), and above the national average that registered in the South (-35.8%) and in the North-east (-40.0%).

With regard to the mortgage-secured loans the most significant decrease was in the North-East (-8.5%) while the Centre registered the best trend (-3.9%), is above the national average (-6.7%) the decrease observed in the North-west (-6.9%) and in the Islands (-8.0%) and under the national average that registered in the South (-6.4%).

With regard to the type of district notarial archives, loans stipulated on the territory of the archives located in metropolitan cities showed a decline (-15.5%) smaller than the value recorded (-19.7%) in those located in other cities (Table 4). These considerations are valid for both type of loans.

**Table 4 – Stipulated loans by quarter, mortgage- and non-mortgage backing and type of district notarial archive. I-III quarter 2011 (absolute values and year over year percentage changes)**

TYPE OF DISTRICT NOTARIAL ARCHIVE	I quarter		II quarter		III quarter		I-III quarter	
	Number	2011/2010 per cent change	Number	2011/2010 per cent change	Number	2011/2010 per cent change	Number	2011/2010 per cent change
NON-MORTGAGE-SECURED								
Located in metropolitan cities (a)	32,256	10.7	29,911	-11.6	18,591	-31.0	80,758	-10.2
Located in other cities	45,513	2.0	44,729	-12.7	26,975	-37.0	117,217	-15.5
<b>Total</b>	<b>77,769</b>	<b>5.4</b>	<b>74,640</b>	<b>-12.3</b>	<b>45,566</b>	<b>-34.6</b>	<b>197,975</b>	<b>-13.4</b>
MORTGAGE-SECURED								
Located in metropolitan cities (a)	44,467	4.4	48,720	-4.3	38,096	-5.2	131,283	-1.8
Located in other cities	61,018	-3.6	70,114	-6.0	57,003	-7.7	188,135	-5.8
<b>Total</b>	<b>105,485</b>	<b>-0.4</b>	<b>118,834</b>	<b>-5.3</b>	<b>95,099</b>	<b>-6.7</b>	<b>319,418</b>	<b>-4.2</b>
TOTAL								
Located in metropolitan cities (a)	76,723	6.9	78,631	-7.2	56,687	-15.5	210,041	-5.2
Located in other cities	106,531	-1.3	114,843	-8.7	83,978	-19.7	305,352	-9.7
<b>Total</b>	<b>183,254</b>	<b>2.0</b>	<b>193,474</b>	<b>-8.1</b>	<b>140,665</b>	<b>-18.1</b>	<b>517,393</b>	<b>-7.9</b>

(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 used<sup>2</sup> 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 organized 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. 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 Italy<sup>3</sup>.

**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.

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

<sup>3</sup> 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).

**Non-mortgage-secured loan:** agreements related to loans, finance and credit facilities. This is a category that 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).