

Sales of real estate units and loans

I quarter 2012

Istat has published data for the first quarter of 2012 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.

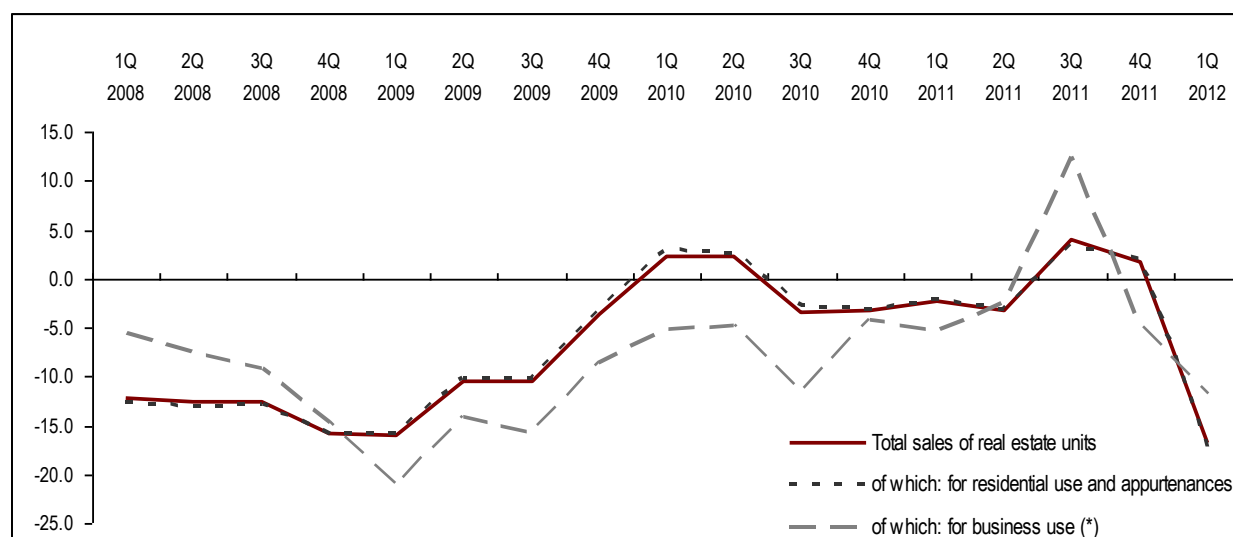
In the Italian version of Istat website is available a set of tables containing regional details and records from various District Notarial Archives.

Notarial deeds – Sale of real estate units

In the first quarter of 2012, nationwide real estate unit sales agreements¹ totalled 154,813, down -16.9% over the same period for the previous year. Of these, 143,868 (92.9%) concerned homes and appurtenances and 9,700 (6.3%) real estate units for business purposes (Table 1).

In relation to type of use, sales of residential properties fell by 17.2%, whereas sales of properties for business use fell by 11.8% (Figure 1).

Figure 1 – Sales of real estate units by type of use. I quarter 2008 - I quarter 2012 (year over year percentage changes)



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

In the first quarter of 2012, all the geographical areas registered a negative trend for both type of sales. The total number of sales of real estate units showed the worst trend in the Centre (-21.0%), in the Islands (-18.1%) and in the North-east (-17.8%); is under the national average (-16.9%) the decrease observed in the North-west (-14.7%) and in the South (-14.2%). In general, this trend is common to sales of real estate units concerned homes and appurtenances.

Even sales of properties for business use registered the worst trend in the Centre (-22.4%); is above the national average (-11.8%) the decrease observed in the North-east (-18.4%) while is under the

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

national average that observed in the South (-7.8%) and, in particular, in the North-west (-1.9%); the negative trend registered in the Islands (-11.7%) is in line with the national average.

Table 1 – Sales of real estate units by quarter, type of use and geographical distribution. Year 2011 and I quarter 2012
(absolute values and year over year percentage changes)

GEOGRAPHICAL DISTRIBUTION	Year 2011					I quarter 2012	
	I quarter 2011/2010 per cent change	II quarter 2011/2010 per cent change	III quarter 2011/2010 per cent change	IV quarter 2011/2010 per cent change	Total 2011/2010 per cent change	Number	2012/2011 per cent change
TOTAL							
North-West	-0.3	-2.5	4.0	1.2	0.4	52,675	-14.7
North-East	-2.5	-4.6	2.3	-1.0	-1.6	29,927	-17.8
Centre	-1.0	-3.3	2.0	3.0	0.1	31,202	-21.0
South	-6.9	-8.1	4.7	2.9	-2.2	27,532	-14.2
Islands	-3.7	8.2	11.5	4.6	5.0	13,477	-18.1
Italy	-2.4	-3.2	4.0	1.7	-0.1	154,813	-16.9
OF WHICH: FOR RESIDENTIAL USE AND APPURTENANCES							
North-West	0.1	-2.3	3.3	1.7	0.5	48,876	-15.4
North-East	-2.8	-4.4	1.9	0.0	-1.4	27,483	-17.9
Centre	-0.8	-3.1	1.9	3.7	0.4	29,283	-21.0
South	-6.6	-8.4	3.7	3.1	-2.4	25,534	-14.7
Islands	-3.6	7.6	10.9	3.8	4.5	12,692	-18.4
Italy	-2.2	-3.1	3.4	2.1	-0.1	143,868	-17.2
OF WHICH: FOR BUSINESS USE (a)							
North-West	-8.8	-4.1	14.6	-5.6	-2.0	3,304	-1.9
North-East	2.8	-5.0	10.1	-12.3	-2.8	2,164	-18.4
Centre	-3.3	-4.8	1.6	-8.6	-4.3	1,754	-22.4
South	-9.9	-2.6	19.3	3.2	1.4	1,773	-7.8
Islands	-7.9	18.7	24.2	20.4	13.7	705	-11.7
Italy	-5.3	-2.5	12.4	-4.8	-1.0	9,700	-11.8

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

The downward trend for sales of properties concerned homes and appurtenances stipulated in metropolitan city notarial archives is slightly lower (-17.1%) compared to that recorded in those located in other cities (-17.3%). Sales of properties for business use recorded in metropolitan city notarial archives showed an higher decrease (-13.5%) compared to that recorded in the remaining district archives (-10.8%) (Table 2).

Table 2 – Sales of real estate units by quarter, type of use and District Notarial Archive. Year 2011 and I quarter 2012
(absolute values and year over year percentage changes)

TYPE OF DISTRICT NOTARIAL ARCHIVE	Year 2011					I quarter 2012	
	I quarter 2011/2010 per cent change	II quarter 2011/2010 per cent change	III quarter 2011/2010 per cent change	IV quarter 2011/2010 per cent change	Total 2011/2010 per cent change	Number	2012/20110 per cent change
TOTAL							
Located in metropolitan cities (a)	0.2	-2.3	4.1	1.7	0.7	68,429	-16.9
Located in other cities	-4.3	-3.9	3.9	1.6	-0.8	86,384	-16.8
Total	-2.4	-3.2	4.0	1.7	-0.1	154,813	-16.9
OF WHICH: FOR RESIDENTIAL USE AND APPURTENANCES							
Located in metropolitan cities (a)	0.4	-1.8	3.5	2.2	0.9	64,172	-17.1
Located in other cities	-4.2	-4.1	3.4	2.1	-0.8	79,696	-17.3
Total	-2.2	-3.1	3.4	2.1	-0.1	143,868	-17.2
OF WHICH: FOR BUSINESS USE (b)							
Located in metropolitan cities (a)	-4.0	-6.0	11.8	-4.8	-1.7	3,568	-13.5
Located in other cities	-6.0	-0.3	12.7	-4.8	-0.5	6,132	-10.8
Total	-5.3	-2.5	12.4	-4.8	-1.0	9,700	-11.8

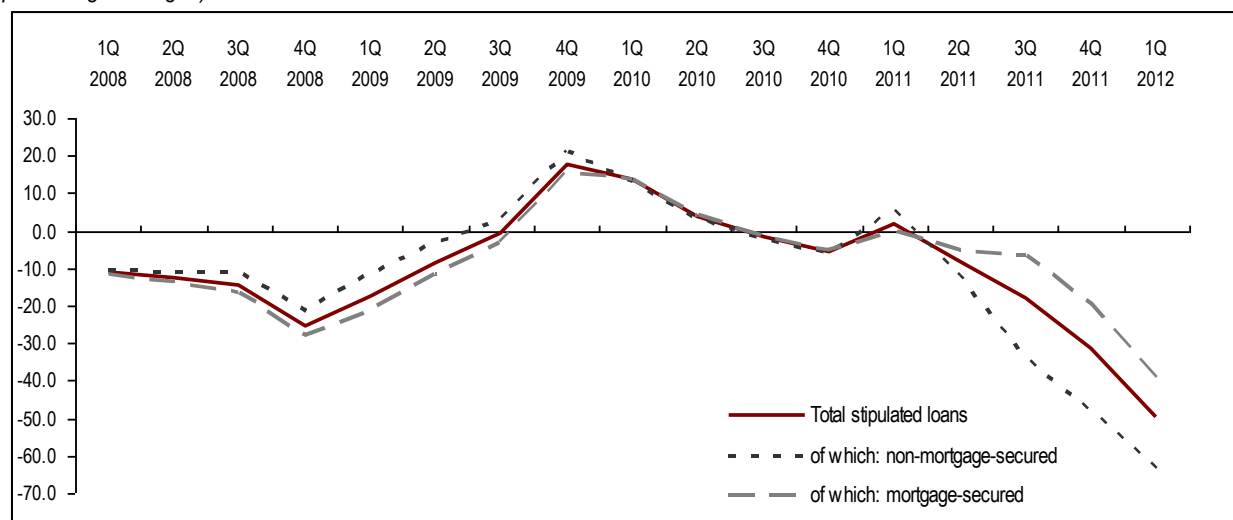
(a) Milano, Torino, Venezia, Trieste, Genova, Bologna, Firenze, Roma, Napoli, Bari, Reggio Calabria, Messina, Catania, Palermo, Cagliari.

(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 first quarter of 2012, 92,415 loans were stipulated, of which 64,116 (69.4%) were mortgage-secured and 28,299 (30.6%) were non-mortgage-secured (Table 3).

Figure 2 – Stipulated loans by mortgage- and non-mortgage backing. I quarter 2008 - I quarter 2012 (year over year percentage changes).



The total number of loans decreased by 49.6% compared to the first quarter of 2011. In particular non-mortgage-secured loans recorded a reduction of 63.6%, while mortgage-secured loans fell by -39.2% (Figure 2).

Table 3 – Stipulated loans by quarter, mortgage- and non-mortgage backing and geographic distribution. Year 2011 and I quarter 2012 (absolute values and year over year percentage changes)

GEOGRAPHICAL DISTRIBUTION	Year 2011					I quarter 2012	
	I quarter 2011/2010 per cent change	II quarter 2011/2010 per cent change	III quarter 2011/2010 per cent change	IV quarter 2011/2010 per cent change	Total 2011/2010 per cent change	Number	2012/2011 per cent change
NON-MORTGAGE-SECURED							
North-West	16.9	-11.9	-26.0	-40.0	-16.6	8,674	-59.7
North-East	0.5	-20.9	-40.0	-48.3	-27.9	6,311	-61.4
Centre	1.5	-14.5	-41.8	-62.7	-29.5	4,999	-74.5
South	2.0	-14.6	-35.8	-45.7	-23.5	5,832	-60.8
Islands	4.7	29.9	-19.3	-35.7	-4.6	2,483	-53.9
Italy	5.4	-12.3	-34.6	-48.2	-22.9	28,299	-63.6
MORTGAGE-SECURED							
North-West	3.8	-5.7	-6.9	-18.2	-7.3	21,462	-39.2
North-East	-2.7	-9.6	-8.5	-20.2	-10.7	15,702	-36.8
Centre	-2.0	-7.4	-3.9	-15.0	-7.4	13,263	-37.8
South	-4.9	-7.0	-6.4	-24.1	-10.8	9,001	-41.3
Islands	2.2	19.3	-8.0	-27.9	-3.5	4,688	-45.8
Italy	-0.4	-5.3	-6.7	-19.6	-8.4	64,116	-39.2
TOTAL							
North-West	8.4	-7.9	-13.6	-26.0	-10.6	30,136	-47.0
North-East	-1.4	-13.9	-20.6	-31.1	-17.3	22,013	-46.6
Centre	-0.3	-10.7	-21.6	-37.2	-17.7	18,262	-55.4
South	-1.6	-10.6	-20.4	-34.5	-16.8	14,833	-50.9
Islands	3.2	23.3	-12.2	-30.8	-3.9	7,171	-48.9
Italy	2.0	-8.1	-18.1	-31.3	-14.3	92,415	-49.6

In the first quarter of 2012, both type of mortgage registered a negative trend in all the geographical areas. Non-mortgage secured loans registered the worst trend in the Centre (-74.5%) and the less relevant decrease in the Islands (-53.9%); is under the national average (-63.6%) the decline observed in the North-east (-61.4%), in the South (-60.8%), and in the North-west (-59.7%).

With regard to the mortgage-secured loans the most significant decrease was in the Islands (-45.8%) and is above the national average (-39.2%) the decline observed in the South (-41.3%); are under the national average the reductions registered in the Centre (-37.8%) and in the North-east (-36.8%). In line with the national average the decline observed in the North-west (-39.2%).

With regard to the type of district notarial archives, loans stipulated on the territory of the archives located in metropolitan cities showed a decline (-51.4%) higher than that recorded (-48.3%) 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. Year 2011 and I quarter 2012 (absolute values and year over year percentage changes)

TYPE OF DISTRICT NOTARIAL ARCHIVE	Year 2011					I quarter 2012	
	I quarter 2011/2010 per cent change	II quarter 2011/2010 per cent change	III quarter 2011/2010 per cent change	IV quarter 2011/2010 per cent change	Total 2011/2010 per cent change	Number	2012/2011 per cent change
NON-MORTGAGE-SECURED							
Located in metropolitan cities (a)	10.7	-11.6	-31.0	-51.1	-21.5	10,639	-67.0
Located in other cities	2.0	-12.7	-37.0	-46.3	-23.9	17,660	-61.2
Total	5.4	-12.3	-34.6	-48.2	-22.9	28,299	-63.6
MORTGAGE-SECURED							
Located in metropolitan cities (a)	4.4	-4.3	-5.2	-17.3	-6.1	26,650	-40.1
Located in other cities	-3.6	-6.0	-7.7	-21.2	-9.9	37,466	-38.6
Total	-0.4	-5.3	-6.7	-19.6	-8.4	64,116	-39.2
TOTAL							
Located in metropolitan cities (a)	6.9	-7.2	-15.5	-31.0	-12.3	37,289	-51.4
Located in other cities	-1.3	-8.7	-19.7	-31.5	-15.7	55,126	-48.3
Total	2.0	-8.1	-18.1	-31.3	-14.3	92,415	-49.6

(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 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 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.

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

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).

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