

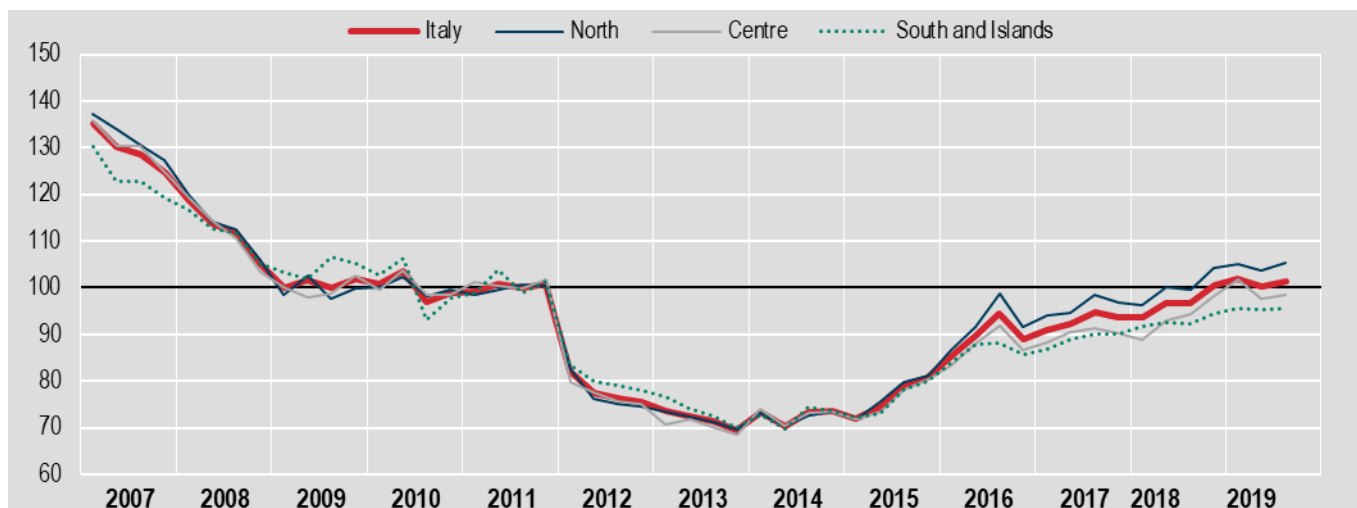
III quarter 2019

SALES OF REAL ESTATE UNITS AND LOANS

- In the third quarter of 2019, notary agreements regarding sales of real estate units and any other kind of exchange of properties and appurtenances in return for payment were 183,479. Seasonally adjusted data show that they increased by 1.2% compared with the previous quarter (+1.2% the residential sector and +1.7% the economic properties sector).
- In comparison with the previous quarter, the residential sector showed positive changes in all the geographical areas of the country (North-East +2.3%, North-West +1.3%, South +0.9% and Centre +0.7%), with the exception of the Islands (-0.5%). In the economic sector, the growth, though with different intensities, concerned the North-East (+8.1%), the South (+0.9%) and the Centre (+0.3%); while decreases were recorded in the Islands (-1.1%) and in the North-West (-0.8%).
- Almost the total of notary agreements (94.5%) affected transfers of residential properties (173,381), followed by transfers of properties for business purposes (9,467; 5.2%) and estates for special uses and multi-owned properties (631; 0.3%).
- Compared with the third quarter 2018, real estate unit exchange agreements rose overall by 4.8% (+4.8% the residential sector; +5.8% economic sector).
- The trend growth affected the entire national territory both for the housing sector, (North-East +5.9%, North-West +5.7%, South +4.7%, Centre +3.8% and Islands +1.7%) and for the economic sector (Islands +14.2%, North-East +10.2%, South +8.4%, Centre +4.8% and North-West +0.2%). At the level of types of municipalities, the growth in the housing sector affected small towns (+5.7%) more than metropolitan cities (+3.7%). On the contrary, in the economic sector, the increase affected metropolitan cities more (+6.8% against +5.2%).
- Mortgage-secured loans (94,205) rose by 1.7%, compared with the previous quarter, and declined by 4.1% on an annual basis.
- Compared with the previous quarter, mortgage-secured loans increased in North-East (+2.8%), in North-West (+2.6%) and in Centre (+1.2%); while they remained substantially stable in the South (+0.4%) and decreased in the Islands (-2.4%). Compared with the third quarter 2018, the decline affected all the geographical areas of the country (Islands -9.6%, South -7.6%, Centre -5.3%, North-West -2.4% and North-East -1.8%) and all types of municipalities (metropolitan cities -4.8% and small municipalities -3.5%).

CHART 1. GENERAL INDEX OF SALES (a) OF REAL ESTATE UNITS BY GEOGRAPHICAL AREA

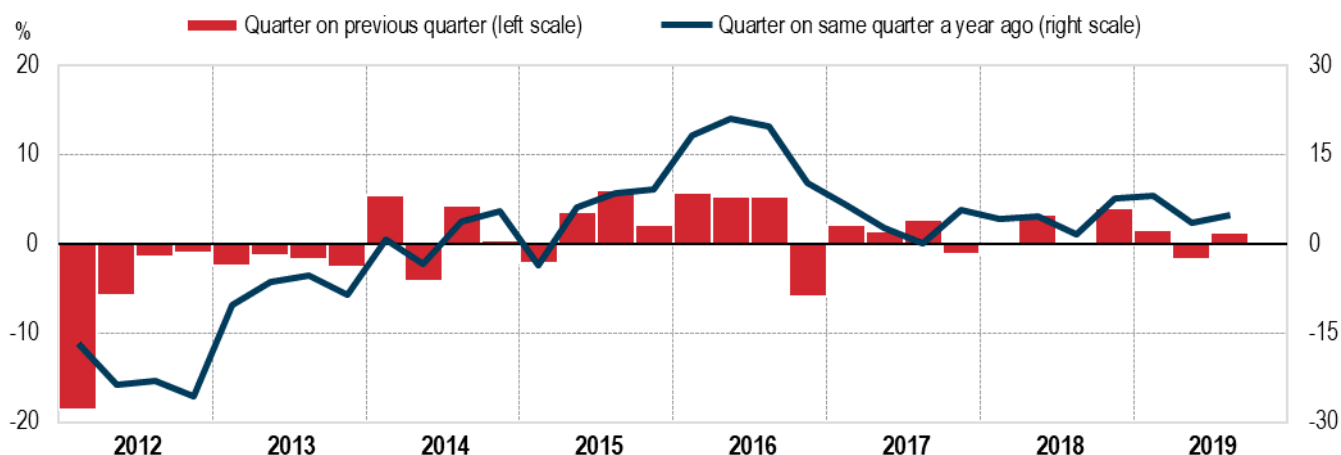
Q1 2007 – Q3 2019, seasonally adjusted data (base year 2010=100)



a) Agreements stipulated by notaries.

CHART 2. SALES (a) OF REAL ESTATE UNITS, QUATER ON PREVIOUS QUARTER AND QUATER ON SAME QUATER A YEAR AGO PERCENTAGE CHANGES

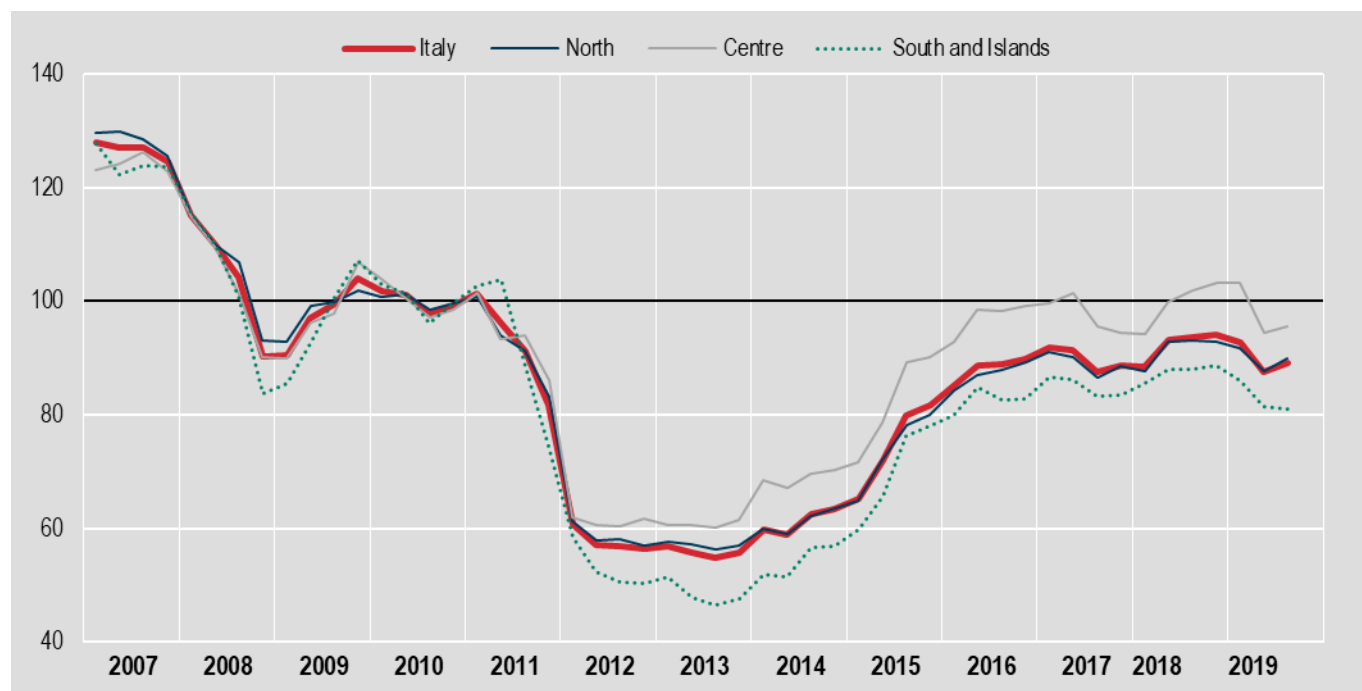
Q1 2012 – Q3 2019



(a) Agreements stipulated by notaries.

CHART 3. GENERAL INDEX OF MORTGAGE-SECURED LOANS (a) BY GEOGRAPHICAL AREA

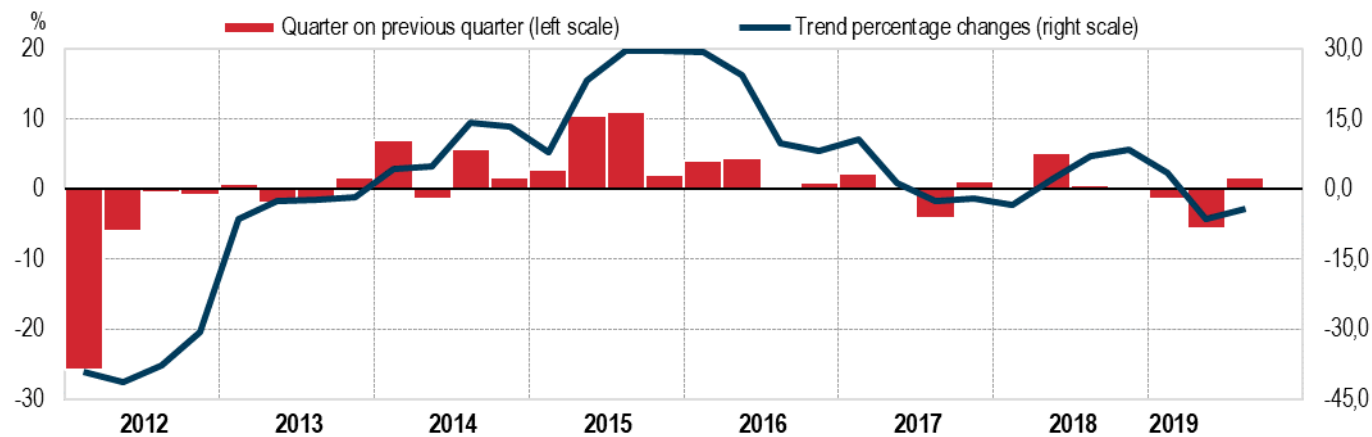
Q1 2007 – Q3 2019, seasonally adjusted data (base year 2010=100)



(a) Agreements stipulated by notaries for mortgage secured-loans.

CHART 4. MORTGAGE-SECURED LOANS (A), QUARTER ON PREVIOUS QUARTER AND QUARTER ON SAME QUARTER A YEAR AGO PERCENTAGE CHANGES

Q1 2012 – Q3 2019



(a) Agreements stipulated by notaries for mortgage secured-loans.

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 Italy¹.

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.

¹ 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).

Introduction and regulatory framework

The statistical survey on acts and conventions concluded with notaries, responds to a legal interest and obligation in question, and at the same time to a varied demand for sector information of stakeholders and public opinion.

The notarial statistics, initially collected by the Italian Ministry of Justice, have been transferred to ISTAT since 24 March 1938 with Royal Decree no. 402.

Ministerial Decree of 4 July 1989 ([Official Journal no. 172 of 1989](#)) approved the table of statistical codes to be indicated in the notarial register; the last modification of these codes was made with [Ministerial Decree of 4 November 1996](#), that has also determined the technical characteristics for the computerized transmission of the relative data to the district notarial archives.

Data are organised according to the models of notarial registers approved with [Ministerial Decree of 6 November 1991](#).

Information gathering

The survey includes all notaries operating in the national territory, equal to approximately 5,000. Notaries communicate the statistical data to the district Notary Archives where they practice on a quarterly basis. The Archives, after verification of the completeness and quality of the data, send them to the Central Notary Archive Office which, after further controls, sends the data to Istat.

So, the data collection bodies are:

District notarial archives, which have the task of:

- receiving information transmitted on a quarterly basis from notaries (transmission is by computer);
- verify the completeness and quality of the received data;
- promoting any reminders to those who are not in compliance;
- proceeding with collecting district level data;
- transmitting the summarised data to the Central Notarial Archive Office.

Central Notarial Archive Office, which has the task of:

- receiving data from the district Notarial Archives;
- verify the completeness and quality of the received data;
- promoting any reminders to Notarial Archives which are not in compliance;
- collect the data in a single file;
- transmit the data to ISTAT.

National Statistical Institute (Istat), which has the task of:

- performing the planned processing for the calculation of the indicators, and the issue of the processed data, after verification of the quality and completeness of the data received

The model used for the survey offers a complete view of the notarial activity, the agreements concluded by notaries are grouped to highlight the most interesting phenomena, in order to provide a collection of relevant information under a socio-economic profile for the entire community.

In particular, for the purposes of the calculation of the agreements relating to the sale of real estate, both by residential and economic type, notaries register a sales agreement for each share equal to or higher than 50%. In other words, the relevant case for the purposes of the statistics is set out even when the subject of the transfer is a share, provided that, in the total of agreements contained in one same deed, this share is not less than 50% of the total.

Contents

To satisfy the incremental objectives of completeness, quality and efficiency of the construction of statistical information on Notarial Activity, in 1995, the Istat ownership survey was restructured, and currently examines:

- 1) Carry-over acts for valuable consideration;
- 2) Constituting acts for valuable consideration;
- 3) Disposal acts free of charge;
- 4) Constituting acts free of charge;
- 5) Exchange acts;
- 6) Declarative acts;
- 7) Guarantees;
- 8) Acts of an obligatory nature;
- 9) Relations of an associate nature;
- 10) Family relations;
- 11) Administrative-judicial acts;
- 12) Successions;
- 13) Urbanisation-building;
- 14) Protests;
- 15) Endorsements and certifications.

In the context of each category, even on the basis of the printouts of the tax registries, acts showing more plaintiffs have been suitably selected, omitting those for which the frequency appeared less significant.

A distinction has also been made for specific negotiated themes, in function of their destination (dwelling, office, artisan workshop, commercial or industrial building or special purpose. A limited subdivision has been created for land, by its urban planning destination. Sometimes, the distinction is carried out on the basis of the right subject of the convention (property, bare ownership, usufruct, dwelling, use, etc.). Other times, particular types of legal transactions have been considered (time-shares, preliminary contracts, powers of attorney, etc.).

Data processing

Data processed for this paper concern the category of “Deeds of transfer for valuable consideration”, among which are those of sales of real estate units (suitably distinguished by their use: real estate for use as dwelling; real estate destined for economic use; units destined for special use; time-shares) and the category of “Guarantee documents” which contain mortgages backed by property collateral, financing and other debentures, divided in two categories: those issued by banks and those issued by subjects other than banks.

The quarterly calculation of real estate sales refers to the number of agreements contained in the Notarial Deeds of the reference quarter, as previously defined.

Among the sales of real estate for use as a dwelling, their outbuildings are also considered if contained in the same agreement. In particular, these include all cadastral categories A (excluding A/10) and C (excluding C/1 and C/3).

Rural building, real estate units for office, craft, commercial and industrial uses are considered among the sales of real estate dedicated to economic use. These include cadastral categories A/10, C/1, C/3 and D.

The real estate units for special use (excluding boat moorings) are included in the cadastral category B.

Although the original source (sales transactions involving a notary) is the same, data presented in this report are not comparable to data released by the Real Estate Market Observatory because of different counting methods. This difference concerns the land registry categories considered, the uneven territorial coverage, and the different units of analysis (agreements in the notarial deeds according to Istat, or real estate units according to the Agenzie delle Entrate (Italian Revenue Agency)),

At a territorial level, Istat publishes the unbundled data both at a geographical division level, and by type of urban center. The geographic divisions are identified as follows:

- North-west: Piemonte, Valle d'Aosta/Vallée d'Aoste, Liguria, Lombardia;
- North-east: Trentino-Alto Adige/Südtirol, Veneto, Friuli-Venezia Giulia, Emilia-Romagna;
- Centre: Toscana, Umbria, Marche, Lazio;
- South: Abruzzo, Molise, Campania, Basilicata, Calabria;
- Islands: Sicilia, Sardegna.

The breakdown by type of urban centers is identified as follows:

- Metropolitan centres: provincial capitals centres of the 15 metropolitan cities determined by Law no. 142/1990, by Delegating Law no. 42/2009 and, for the special statute regions, by the respective regional laws: Milan, Turin, Venice, Trieste, Genoa, Bologna, Florence, Rome, Naples, Bari, Reggio Calabria, Messina, Catania, Palermo, Cagliari.
- Other cities: provincial capitals not centre of the 15 metropolitan cities and all the other not provincial capitals cities.

Output: principal measures of analysis

The survey provides, on a quarterly basis, a reading of the information by type of real estate subject to the sale: the number of units transferred for valuable consideration, the percentage trend variations and - since the Statistical Flash of quarter IV/2016 - those of short-term on seasonally adjusted data.

The same indicators are also provided for "loans, financing and other obligations of a property backed mortgage".

Seasonally adjusted series

Since the Statistical Flash on "Real estate market: sales and mortgages of notarial origin" of quarter IV/2016, in addition to the original data (so-called "raw data"), the seasonally adjusted data are also published.

In compliance with the guidelines on seasonal adjustment for the European Statistics System, seasonally adjusted data are obtained by adopting the TRAMO-SEATS (TS) procedure on an Arima-model-based approach. More specifically, for the production of seasonally adjusted data, the 2010 version of TS for LINUX was used.

Like the other seasonal adjustment procedures, TS, too, is based on the hypothesis that each interim historic series may be represented as a combination of different components, not directly observable: a cyclical trend component, representing the medium and long period trend; a seasonal component composed of periodic movements, whose influence is exhausted over the course of one year; an irregular component, due to erratic factors. To proceed with the elimination of the seasonal adjustment, it is, however, necessary to use a breakdown method of the "raw" series in the different components listed above.

In particular, for data relating to the unbundled sales and mortgages, both by type² and by geographical division³, (series seasonally adjusted through the direct approach⁴), a multiplicative type breakdown was used (the observed data are the product of the non-observable components).

On the contrary, for the more aggregated series (national totals of the series relating to each usage type and the national total of sales) the seasonally adjusted data are obtained through the indirect approach, or rather, aggregating the series of the seasonally adjusted components directly.

² Sales of real estate units for use as dwellings and accessories; sales of real estate units for economic use; sales of real estate units for special use and time-shares (excluding boat moorings); loans, financing and other obligations concluded with the establishment of a property backed mortgage.

³ North-West; North-East; Centre; South; Islands.

⁴ The direct approach is founded on the assumption that there is a parametric statistical model (Arima) that is able to adequately describe the behaviour of the observed historic series.

In particular, the national totals by type are derived from the aggregation of the seasonally adjusted data distinguished by geographical division; the seasonally adjusted series relating to the Italian total of sales is defined with a two-stage indirect approach that first provides the aggregation by geographic division of the series distinguished by type and, then, the aggregation of the totals by geographic division obtained in the first stage.

Since the addition of new monthly information allows a better evaluation of the different components of the series, published seasonally adjusted data are subject to revision each quarter.

The statistical models used for seasonal adjustment are reviewed at the beginning of each year to ensure their ability to correctly represent the trend of the single historic series. To allow the user to adopt, for their own analyses purposes, the same processing specifications used by Istat in the TS procedure, they are available on request.

Revisions

The data relating to the “Statistical survey on the acts and agreements concluded with notaries” are not subject to periodic revisions.

Coverage and geographical detail

The data of this report are available for the entire national territory, by region, by geographic micro-division (North-west, North-east, Centre, South and Islands) and by type of district notarial archive (with head office in the metropolitan city and with head office in other cities).

On the Istat data warehouse (dati.istat.it), data of the notarial agreements by type of act are available by district Notarial Archive.

Timeliness

Data are released approximately four months after the reference quarter.

Data issue

Data on the sale of real estate and on mortgages of a notarial source are issued quarterly, mainly through the Statistical Flash, and on the Istat data warehouse I.STAT.

More detailed information on the notarial activity, which includes all the categories of analysis and the conventions contained, is released on I.STAT, with unbundling at the level of the single District Notarial Archive, for a total of 94 Archives in the national territory.

The issue of the statistical information on the Notarial activity is performed through the main editorial products of Istat:

- Databases and thematic systems

I.STAT, the ISTAT data warehouse: <http://dati.istat.it/?lang=en>

Pubblica Amministrazione.Stat: <http://dati.statistiche-pa.it/Index.aspx?lang=en>

Time series: <https://www.istat.it/en/products/databases/time-series>

- Flash/focus statistics

Real estate market: sales and mortgages in the notary archives (quarterly flash statistics):

<http://www.istat.it/en/justice-and-security>