

Sales of real estate units and loans

III quarter 2010

Istat has published data for the third quarter of 2010 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.

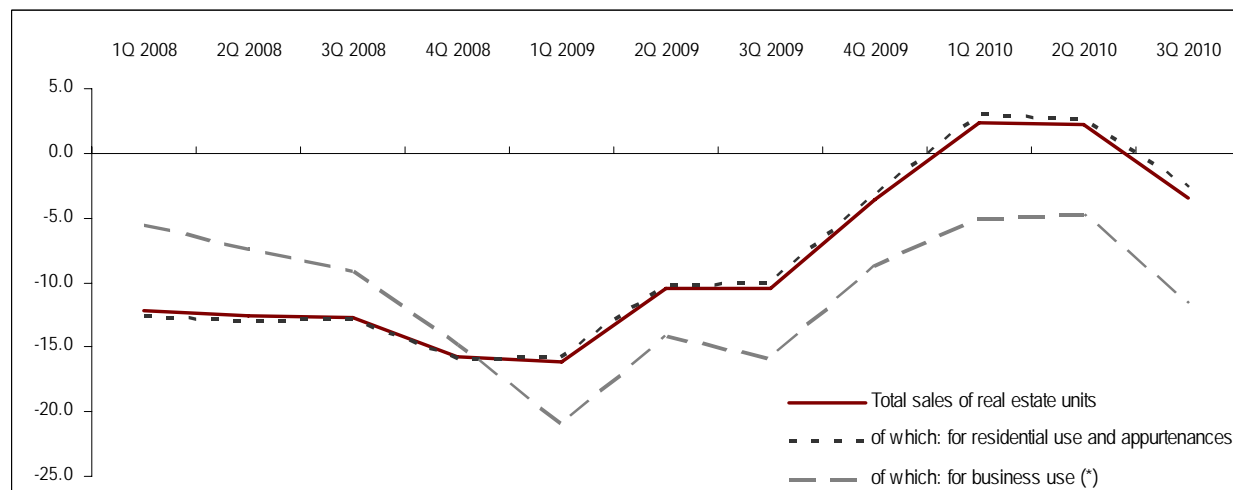
In the Italian version of Istat website is available a set of tables containing regional details and records from various District Notarial Archives.

Notarial deeds – Sale of real estate units

In the third quarter of 2010, nationwide real estate unit sales agreements¹ totalled 168,933, down -3.4 per cent over the same period for the previous year. Of these, 158,122 (93.6 per cent) concerned homes and appurtenances and 9,659 (5.7 per cent) real estate units for business purposes (Table 1).

In relation to type of use, sales of residential properties fell by -2.7 per cent, whereas sales of properties for business use fell by -11.6 per cent (Figure 1).

Figure 1 – Sales of real estate units by type of use. I quarter 2008-III quarter 2010 (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 2010, sales of real estate units registered the worst trend in the South and in the Islands (respectively -11.7 per cent and -16.1 per cent) compared to the other geographical areas. In the Centre the sales fell of -0.4 per cent; only in the North-West and North-East they registered a positive trend, with a growth respectively of +0.7 and +1.1 per cent.

In general, this trend is common to sales of real estate units concerned homes and appurtenances.

With regard to the sales of properties for business use, all the geographical areas registered a negative trend, but in the South and in the Islands the decrease was greater than in the other ones, respectively -21.5 and -20.6 per cent.

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 2010 (absolute values and year over year percentage changes)

GEOGRAPHICAL DISTRIBUTION	I quarter		II quarter		III quarter		I-III quarter	
	Number	2010/2009 per cent change	Number	2010/2009 per cent change	Number	2010/2009 per cent change	Number	2010/2009 per cent change
TOTAL								
North-West	61,969	1.5	75,796	-0.5	55,793	0.7	193,558	0.5
North-East	37,345	3.7	45,181	-0.5	34,863	1.1	117,389	1.3
Centre	39,871	2.7	46,905	5.9	35,252	-0.4	122,028	3.0
South	34,462	2.6	40,019	7.4	28,909	-11.7	103,390	-0.2
Islands	17,081	1.1	19,239	0.8	14,116	-16.1	50,436	-4.5
Italy	190,728	2.3	227,140	2.2	168,933	-3.4	586,801	0.6
OF WHICH: FOR RESIDENTIAL USE AND APPURTENANCES								
North-West	57,705	2.1	70,505	-0.2	52,177	1.5	180,387	1.0
North-East	34,462	4.5	41,774	-0.1	32,364	1.9	108,600	1.9
Centre	37,337	3.5	44,002	6.3	33,158	0.3	114,497	3.6
South	32,038	3.1	37,247	8.5	27,054	-10.9	96,339	0.6
Islands	16,138	1.8	18,084	0.5	13,369	-15.9	47,591	-4.3
Italy	177,680	3.0	211,612	2.6	158,122	-2.7	547,414	1.1
OF WHICH: FOR BUSINESS USE (a)								
North-West	3,693	-4.7	4,402	-6.0	3,199	-7.6	11,294	-6.0
North-East	2,581	-5.7	2,965	-7.2	2,202	-8.7	7,748	-7.1
Centre	2,336	-7.7	2,620	-1.9	1,942	-7.9	6,898	-5.6
South	2,135	-1.2	2,397	-5.7	1,654	-21.5	6,186	-9.1
Islands	866	-7.5	1,004	3.7	662	-20.6	2,532	-7.5
Italy	11,611	-5.1	13,388	-4.8	9,659	-11.6	34,658	-6.9

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

In the third quarter of 2010, sales of real estate units recorded in metropolitan city notarial archives indicated a less decrease (-0.2 per cent) compared to that recorded in the remaining district archives (-5.5 per cent) (Table 2).

Table 2 – Sales of real estate units by quarter, type of use and District Notarial Archive. I-III quarter 2010 (absolute values and year over year percentage changes)

TYPE OF DISTRICT NOTARIAL ARCHIVE	I quarter		II quarter		III quarter		I-III quarter	
	Number	2010/2009 per cent change	Number	2010/2009 per cent change	Number	2010/2009 per cent change	Number	2010/2009 per cent change
TOTAL								
Located in metropolitan cities (a)	82,214	3.3	99,115	2.9	71,063	-0.2	252,392	2.1
Located in other cities	108,514	1.6	128,025	1.7	97,870	-5.5	334,409	-0.6
Total	190,728	2.3	227,140	2.2	168,933	-3.4	586,801	0.6
OF WHICH: FOR RESIDENTIAL USE AND APPURTENANCES								
Located in metropolitan cities (a)	77,112	3.9	92,832	3.1	66,891	0.6	236,835	2.6
Located in other cities	100,568	2.3	118,780	2.3	91,231	-5.0	310,579	0.0
Total	177,680	3.0	211,612	2.6	158,122	-2.7	547,414	1.1
OF WHICH: FOR BUSINESS USE (b)								
Located in metropolitan cities (a)	4,294	-1.7	5,075	-2.5	3,625	-10.2	12,994	-4.5
Located in other cities	7,317	-7.0	8,313	-6.1	6,034	-12.4	21,664	-8.2
Total	11,611	-5.1	13,388	-4.8	9,659	-11.6	34,658	-6.9

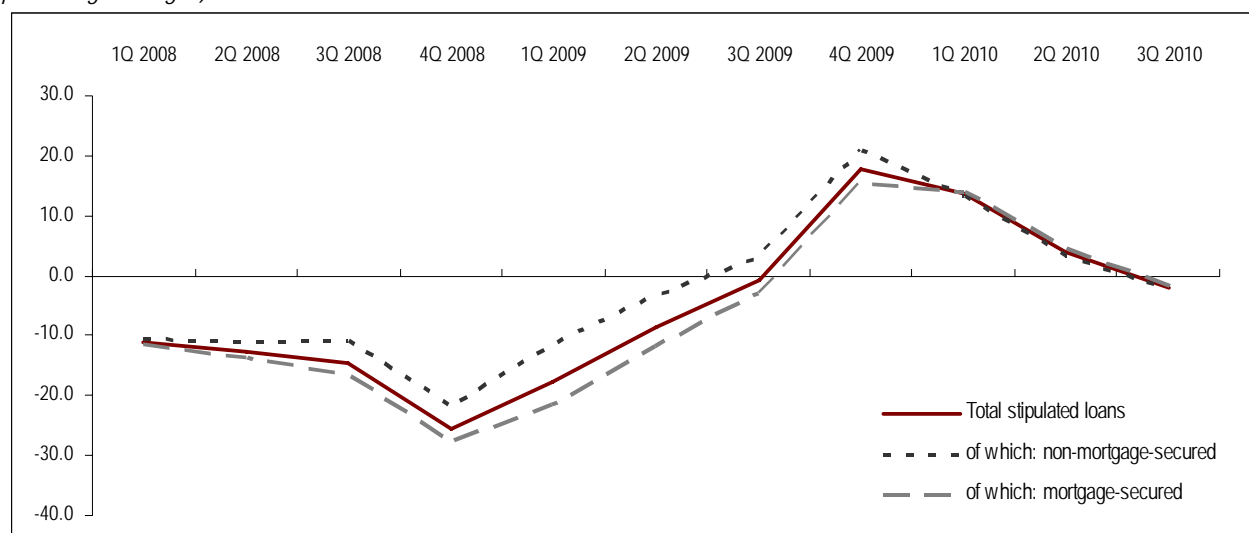
(a) Milano, Torino, Venezia, Trieste, Genova, Bologna, Firenze, Roma, Napoli, Bari, Reggio Calabria, Messina, Catania, Palermo, Cagliari.

(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 2010 171,689 loans were stipulated, of which 101,973 (59.4 per cent) were mortgage-secured and 69,716 (40.6 per cent) were non-mortgage-secured (Table 3).

Figure 2 – Stipulated loans by mortgage- and non-mortgage backing. I quarter 2008- III quarter 2010 (year over year percentage changes).



The total number of loans decreased by 1.9 per cent compared to the third quarter of 2009. In particular, non-mortgage-secured loans recorded a reduction of -2.2 per cent, while mortgage-secured loans fell by -1.7 per cent (Figure 2).

Table 3 – Stipulated loans by quarter, mortgage- and non-mortgage backing and geographic distribution. I- III quarter 2010 (absolute values and year over year percentage changes)

GEOGRAPHICAL DISTRIBUTION	I quarter		II quarter		III quarter		I-III quarter	
	Number	2010/2009 per cent change	Number	2010/2009 per cent change	Number	2010/2009 per cent change	Number	2010/2009 per cent change
NON-MORTGAGE-SECURED								
North-West	18,425	3.8	22,433	-0.5	18,267	-0.9	59,125	0.7
North-East	16,266	8.2	19,141	-4.0	16,158	-6.9	51,565	-1.5
Centre	19,322	18.7	21,259	5.8	17,606	0.7	58,187	8.0
South	14,598	23.6	16,572	12.4	13,166	-1.5	44,336	11.0
Islands	5,143	22.3	5,702	14.1	4,519	-2.5	15,364	11.0
Italy	73,754	13.3	85,107	3.4	69,716	-2.2	228,577	4.5
MORTGAGE-SECURED								
North-West	34,016	10.8	41,980	4.5	33,656	2.3	109,652	5.7
North-East	25,553	8.2	30,870	0.1	26,060	-5.1	82,483	0.7
Centre	21,770	16.1	24,663	5.4	20,178	-0.6	66,611	6.7
South	16,108	24.0	18,435	10.9	14,547	-3.5	49,090	9.8
Islands	8,453	21.6	9,524	5.2	7,532	-5.4	25,509	6.4
Italy	105,900	13.9	125,472	4.5	101,973	-1.7	333,345	5.2
TOTAL								
North-West	52,441	8.3	64,413	2.7	51,923	1.2	168,777	3.9
North-East	41,819	8.2	50,011	-1.5	42,218	-5.8	134,048	-0.2
Centre	41,092	17.3	45,922	5.6	37,784	0.0	124,798	7.3
South	30,706	23.8	35,007	11.6	27,713	-2.6	93,426	10.4
Islands	13,596	21.9	15,226	8.4	12,051	-4.3	40,873	8.1
Italy	179,654	13.7	210,579	4.0	171,689	-1.9	561,922	4.9

In the third quarter of 2010, non-mortgage-secured loans registered a positive trend only in the Centre (+0.7 per cent). In the North-East there was the more significant decrease (-6.9 per cent); that one observed in the Islands (-2.5 per cent) was slightly above the national average. In North-West and in the South it was respectively equal to -0.9 per cent and to -1.5 per cent.

With regard to the mortgage-secured loans, the Islands (-5.4 per cent) and the North-east (-5.1 per cent) were the geographical areas with the greatest decrease compared to the other ones. Only the North-west revealed a positive trend, with a growth of +2.3 per cent.

Lastly, a different trend in loan stipulation emerged from the records of district notarial archives located in the metropolitan cities and the records of the remaining archives considered collectively (Table 4). In the third quarter of 2010, only the loans filed at the district notarial archives located outside the metropolitan cities registered a negative trend (-4.3 per cent), whereas loan records of archives located in the metropolitan cities showed a growth of 2.2 per cent.

Table 4 – Stipulated loans by quarter, mortgage- and non-mortgage backing and type of district notarial archive. I- III quarter 2010 (absolute values and year over year percentage changes)

TYPE OF DISTRICT NOTARIAL ARCHIVE	I quarter		II quarter		III quarter		I-III quarter	
	Number	2010/2009 per cent change	Number	2010/2009 per cent change	Number	2010/2009 per cent change	Number	2010/2009 per cent change
NON-MORTGAGE-SECURED								
Located in metropolitan cities (a)	29,136	14.3	33,842	6.8	26,932	2.2	89,910	7.6
Located in other cities	44,618	12.7	51,265	1.2	42,784	-4.7	138,667	2.6
Total	73,754	13.3	85,107	3.4	69,716	-2.2	228,577	4.5
MORTGAGE-SECURED								
Located in metropolitan cities (a)	42,611	15.1	50,896	7.8	40,189	2.1	133,696	8.2
Located in other cities	63,289	13.1	74,576	2.3	61,784	-4.0	199,649	3.3
Total	105,900	13.9	125,472	4.5	101,973	-1.7	333,345	5.2
TOTAL								
Located in metropolitan cities (a)	71,747	14.8	84,738	7.4	67,121	2.2	223,606	8.0
Located in other cities	107,907	12.9	125,841	1.9	104,568	-4.3	338,316	3.0
Total	179,654	13.7	210,579	4.0	171,689	-1.9	561,922	4.9

(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).

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