

Sales of real estate units and loans

II quarter 2012

Istat has published data for the second 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 loans.

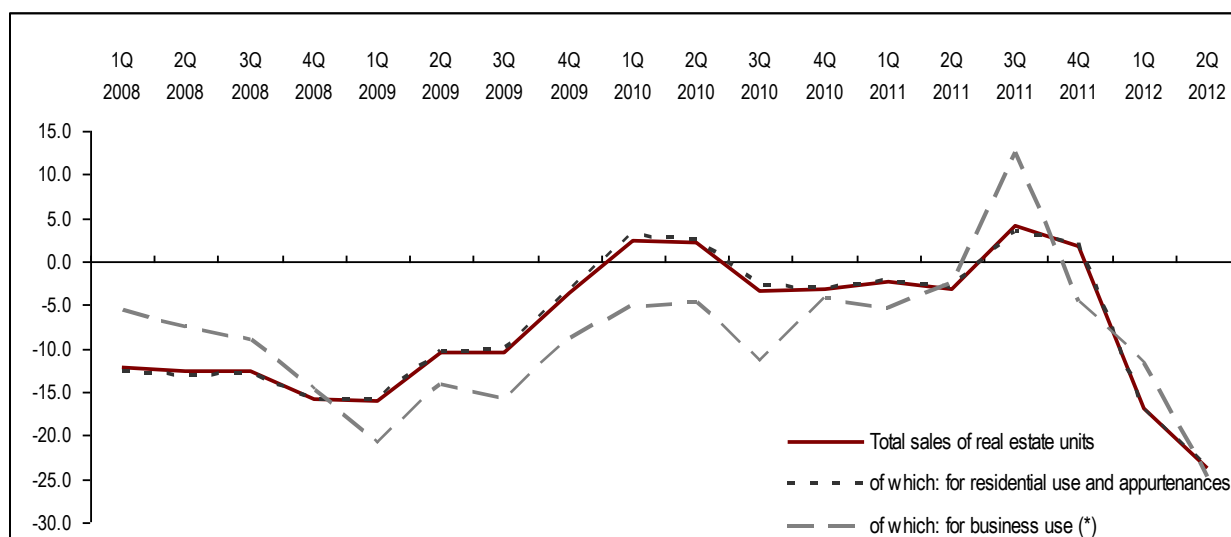
In the Italian version of Istat website is available a set of tables containing regional details and records from various District Notarial Archives.

Notarial deeds – Sale of real estate units

In the second quarter of 2012, nationwide real estate unit sales agreements¹ totalled 167,721, down -23.7% over the same period for the previous year. Of these, 156,552 (93.3%) concerned homes and appurtenances and 9,816 (5.9%) real estate units for business purposes (Table 1).

In relation to type of use, sales of residential properties fell by -23.6%, whereas sales of properties for business use fell by -24.8% (Figure 1).

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



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

In the second quarter of 2012, sales of real estate units registered a negative trend in all the geographical areas. The Islands (-30.8%) and the North-East (-26.1%) registered the worst trends. Also negative, but however below the national average (-23.7%), the sales respectively in the North-West (-22.6%), in the Centre (-23.1%) and in the South (-19.9%).

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

In general, this negative trend is common both to sales of real estate units for residential use and appurtenances and for business use.

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

GEOGRAPHICAL DISTRIBUTION	I quarter			II quarter			I-II quarter		
	Number	2012/2011 per cent change		Number	2012/2011 per cent change		Number	2012/2011 per cent change	
TOTAL									
North-West	52,675	-14.7		57,151	-22.6		109,826	-19.0	
North-East	29,927	-17.8		31,868	-26.1		61,795	-22.3	
Centre	31,202	-21.0		34,843	-23.1		66,045	-22.1	
South	27,532	-14.2		29,455	-19.9		56,987	-17.2	
Islands	13,477	-18.1		14,404	-30.8		27,881	-25.2	
Italy	154,813	-16.9		167,721	-23.7		322,534	-20.6	
OF WHICH: FOR RESIDENTIAL USE AND APPURTENANCES									
North-West	48,876	-15.4		53,335	-22.6		102,211	-19.3	
North-East	27,483	-17.9		29,471	-26.2		56,954	-22.4	
Centre	29,283	-21.0		32,753	-23.1		62,036	-22.1	
South	25,534	-14.7		27,422	-19.6		52,956	-17.3	
Islands	12,692	-18.4		13,571	-30.3		26,263	-25.0	
Italy	143,868	-17.2		156,552	-23.6		300,420	-20.7	
OF WHICH: FOR BUSINESS USE (a)									
North-West	3,304	-1.9		3,283	-22.2		6,587	-13.2	
North-East	2,164	-18.4		2,136	-24.2		4,300	-21.4	
Centre	1,754	-22.4		1,877	-24.7		3,631	-23.6	
South	1,773	-7.8		1,786	-23.5		3,559	-16.4	
Islands	705	-11.7		734	-38.4		1,439	-27.7	
Italy	9,700	-11.8		9,816	-24.8		19,516	-18.9	

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

Sales of properties for residential use recorded in metropolitan city notarial archives indicated a less decrease (-21.8%) compared to that recorded in the remaining district archives (-25.1%) (Table 2). Also sales of property for business purposes indicated a lower decrease in metropolitan city notarial archives (-21.0%) compared to that recorded in the remaining district archives (-27.0%).

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

TYPE OF DISTRICT NOTARIAL ARCHIVE	I quarter			II quarter			I-II quarter		
	Number	2012/2011	per cent change	Number	2012/2011	per cent change	Number	2012/2011	per cent change
TOTAL									
Located in metropolitan cities (a)	68,429	-16.9		75,753	-21.8		144,182	-19.5	
Located in other cities	86,384	-16.8		91,968	-25.3		178,352	-21.4	
Total	154,813	-16.9		167,721	-23.7		322,534	-20.6	
OF WHICH: FOR RESIDENTIAL USE AND APPURTENANCES									
Located in metropolitan cities (a)	64,172	-17.1		71,259	-21.8		135,431	-19.7	
Located in other cities	79,696	-17.3		85,293	-25.1		164,989	-21.5	
Total	143,868	-17.2		156,552	-23.6		300,420	-20.7	
OF WHICH: FOR BUSINESS USE (a)									
Located in metropolitan cities (a)	3,568	-13.5		3,768	-21.0		7,336	-17.5	
Located in other cities	6,132	-10.8		6,048	-27.0		12,180	-19.7	
Total	9,700	-11.8		9,816	-24.8		19,516	-18.9	

(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 mortgages-secured loans

In the second quarter of 2012, nationwide 69,830 mortgage-secured loans were stipulated in the second quarter of 2012 (Table 3).

All the geographical areas showed a negative trend: decreases above the national average (-41.2) were in the Islands (-58.3%) and in the South (-44.8%), whereas under the national average the North-East (-40.1%), the North-West (-38.6%) and the Centre (-36.0%).

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

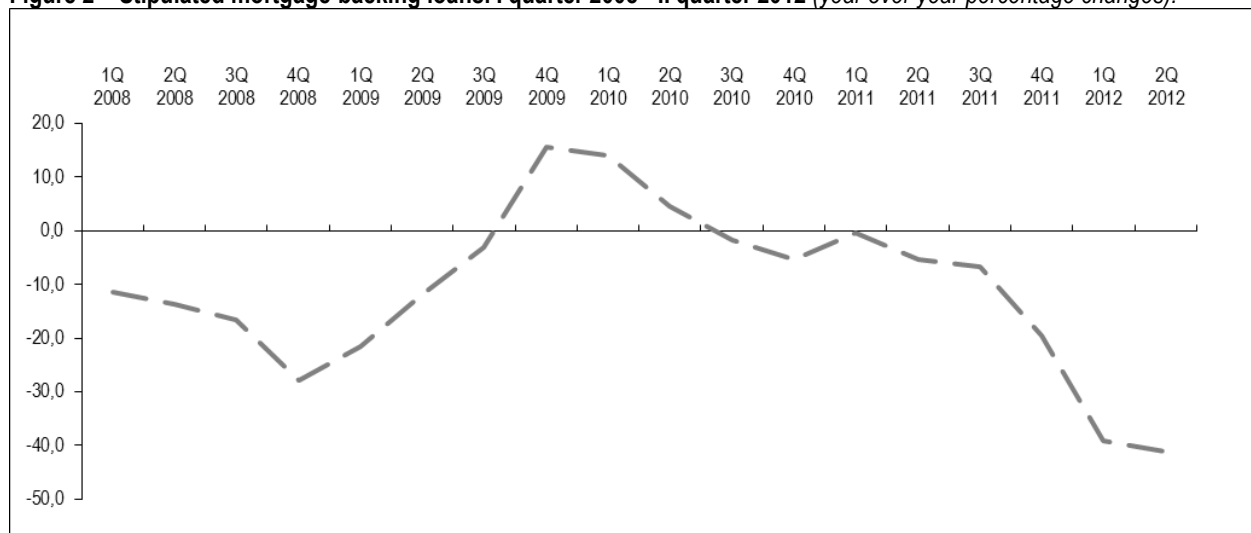


Table 3 – Stipulated mortgage-backing loans by quarter and geographic distribution. I-II quarter 2012 (absolute values and year over year percentage changes)

GEOGRAPHICAL DISTRIBUTION	I quarter			II quarter			I-II quarter		
	Number	2012/2011	per cent change	Number	2012/2011	per cent change	Number	2012/2011	per cent change
North-West	21,462		-39.2	24,289		-38.6	45,751		-38.9
North-East	15,702		-36.8	16,714		-40.1	32,416		-38.6
Centre	13,263		-37.8	14,618		-36.0	27,881		-36.9
South	9,001		-41.3	9,470		-44.8	18,471		-43.1
Islands	4,688		-45.8	4,739		-58.3	9,427		-52.9
Italy	64,116		-39.2	69,830		-41.2	133,946		-40.3

With regard to the type of district notarial archives, mortgage-backing loans stipulated on the territory of the archives located in metropolitan cities showed a smaller decline (-39,1%) than the value recorded in those located in other cities (-42,7%) (Table 4).

Table 4 – Stipulated mortgage-backing loans by quarter and type of district notarial archive. I-II quarter 2012 (absolute values and year over year percentage changes)

TYPE OF DISTRICT NOTARIAL ARCHIVE	I quarter			II quarter			I-II quarter		
	Number	2012/2011	per cent change	Number	2012/2011	per cent change	Number	2012/2011	per cent change
Located in metropolitan cities (a)	26,650		-40.1	29,652		-39.1	56,302		-39.6
Located in other cities	37,466		-38.6	40,178		-42.7	77,644		-40.8
Total	64,116		-39.2	69,830		-41.2	133,946		-40.3

(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).