

Sales of real estate units and loans

I-II quarter 2013

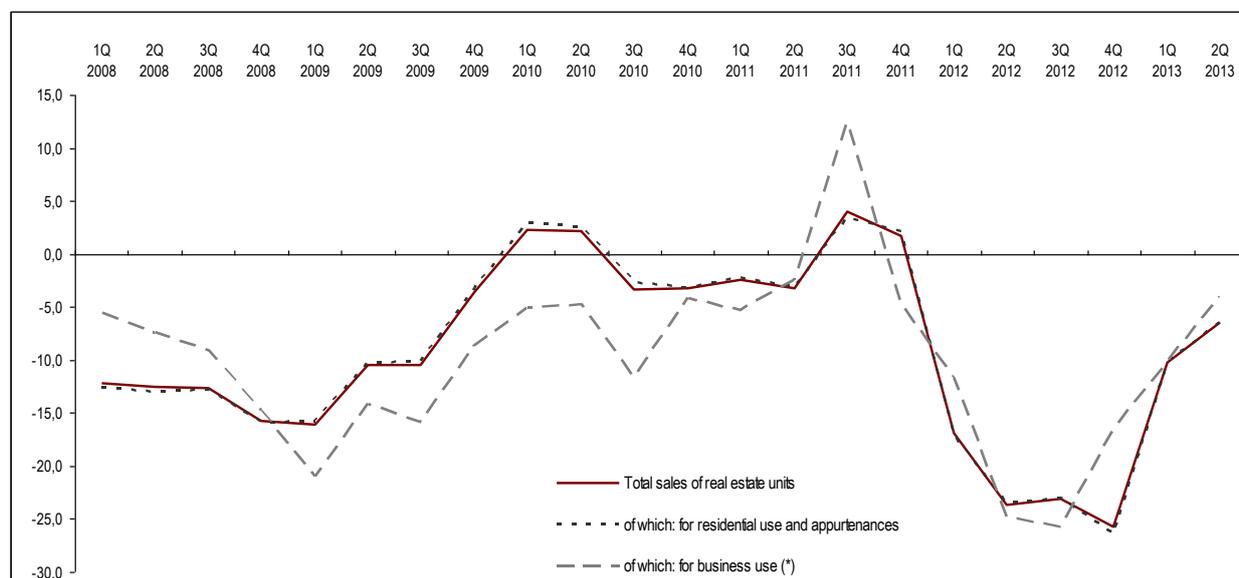
Istat has published data for the first and second quarter of 2013 on notarial deeds for both the sale of real estate units - divided into residential units (homes and appurtenances) and business units - and the stipulation of mortgage-secured loans.

In the Italian version of Istat website is available a set of tables containing regional details.

Notarial deeds – Sale of real estate units

In the first quarter of 2013, nationwide real estate unit sales agreements¹ totalled 138,899, decreasing by 10.3% over the same period for the previous year. A same “decreasing deceleration” can be observed even in a more accentuated way in the second quarter of 2013 (-6,5%), both for residential use and appurtenances (-6.5%) and for business units (-4.0%) (Table 1, Figure 1).

Figure 1 – Sales of real estate units by type of use. I quarter 2008 - II quarter 2013 (year over year percentage changes)



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

In the first and in the second quarter of 2013, all geographical areas have to cope with negative trends both for transfers of properties for homes and appurtenances and for business use.

More in detail, in the first quarter the Centre (-11.7%) and the North-West (-11.6%) geographical areas are the most involved in properties’ transfer decreasing as far as homes and appurtenances are concerned, whereas the Islands (-23.8%) and the North-East (-12,4%) register a particular deep decreasing in transfers of units for business use.

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

In the second quarter, extremely positive the “decreasing deceleration” registered in the North-East (-2.0%) in properties’ transfer of real estate units for residential use and appurtenances and in the South for business (-2.2%).

The first six months of 2013 therefore are characterized by an important restraint of those alarming “percentage change trends” observed during the four quarters of 2012.

Table 1 – Transfer of properties of real estate units (a) by quarter, type of use and geographical area. I and II quarter 2012 and 2013 (absolute values and year over year percentage changes)

GEOGRAPHICAL AREA	I quarter 2012		II quarter 2012		I-II quarter 2012		I quarter 2013		II quarter 2013		I-II quarter 2013	
	Number	2012/2011 Per cent change	Number	2012/2011 Per cent change	Number	2012/2011 Per cent change	Number	2013/2012 Per cent change	Number	2013/2012 Per cent change	Number	2013/2012 Per cent change
TOTAL												
North-West	52.675	-14,7	57.151	-22,6	109.826	-19,0	46.676	-11,4	53.274	-6,8	99.950	-9,0
North-East	29.927	-17,8	31.868	-26,1	61.795	-22,3	26.844	-10,3	31.111	-2,4	57.955	-6,2
Centre	31.202	-21,0	34.843	-23,1	66.045	-22,1	27.638	-11,4	32.063	-8,0	59.701	-9,6
South	27.532	-14,2	29.455	-19,9	56.987	-17,2	25.666	-6,8	27.589	-6,3	53.255	-6,5
Islands	13.477	-18,1	14.404	-30,8	27.881	-25,2	12.075	-10,4	12.849	-10,8	24.924	-10,6
Italy	154.813	-16,9	167.721	-23,7	322.534	-20,6	138.899	-10,3	156.886	-6,5	295.785	-8,3
OF WHICH: FOR RESIDENTIAL USE AND APPURTENANCES												
North-West	48.876	-15,4	53.335	-22,6	102.211	-19,3	43.191	-11,6	49.640	-6,9	92.831	-9,2
North-East	27.483	-17,9	29.471	-26,2	56.954	-22,4	24.771	-9,9	28.878	-2,0	53.649	-5,8
Centre	29.283	-21,0	32.753	-23,1	62.036	-22,1	25.857	-11,7	30.074	-8,2	55.931	-9,8
South	25.534	-14,7	27.422	-19,6	52.956	-17,3	23.852	-6,6	25.623	-6,6	49.475	-6,6
Islands	12.692	-18,4	13.571	-30,3	26.263	-25,0	11.449	-9,8	12.102	-10,8	23.551	-10,3
Italy	143.868	-17,2	156.552	-23,6	300.420	-20,7	129.120	-10,3	146.317	-6,5	275.437	-8,3
OF WHICH: FOR BUSINESS (b)												
North-West	3.304	-1,9	3.283	-22,2	6.587	-13,2	2.980	-9,8	3.123	-4,9	6.103	-7,3
North-East	2.164	-18,4	2.136	-24,2	4.300	-21,4	1.895	-12,4	2.058	-3,7	3.953	-8,1
Centre	1.754	-22,4	1.877	-24,7	3.631	-23,6	1.668	-4,9	1.807	-3,7	3.475	-4,3
South	1.773	-7,8	1.786	-23,5	3.559	-16,4	1.642	-7,4	1.746	-2,2	3.388	-4,8
Islands	705	-11,7	734	-38,4	1.439	-27,7	537	-23,8	690	-6,0	1.227	-14,7
Italy	9.700	-11,8	9.816	-24,8	19.516	-18,9	8.722	-10,1	9.424	-4,0	18.146	-7,0

(a) Agreements in notarial deeds

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

As far as type of district notarial archive is concerned, the downward trend for transfers of properties of real estate units - both for transfers for residential use and for transfers for business use - show the same trend in the first and in the second quarter of 2013: in metropolitan city notarial archives, transfers of properties for residential use and appurtenances in metropolitan fell (-9.7% in the first quarter; -6.0% in the second quarter) less than in the other cities (-10.7% in the first quarter; -7.0%); transfers for business experiment a less negative per cent change in the big cities (-9.0% in the first quarter; -3.2% in the second quarter) (Table 2).

Table 2 – Transfer of properties of real estate units (a) by quarter, type of use and District Notarial Archive. I and II quarter 2012 and 2013 (absolute values and year over year percentage changes)

TYPE OF DISTRICT NOTARIAL ARCHIVE	I quarter 2012		II quarter 2012		I-II quarter 2012		I quarter 2013		II quarter 2013		I-II quarter 2013	
	Number	2012/2011 Per cent change	Number	2012/2011 Per cent change	Number	2012/2011 Per cent change	Number	2013/2012 Per cent change	Number	2013/2012 Per cent change	Number	2013/2012 Per cent change
TOTAL												
Located in metropolitan cities (b)	68.429	-16,9	75.753	-21,8	144.182	-19,5	61.814	-9,7	71.314	-5,9	133.128	-7,7
Located in other cities	86.384	-16,8	91.968	-25,3	178.352	-21,4	77.085	-10,8	85.572	-7,0	162.657	-8,8
Total	154.813	-16,9	167.721	-23,7	322.534	-20,6	138.899	-10,3	156.886	-6,5	295.785	-8,3
OF WHICH: FOR RESIDENTIAL USE AND APPURTENANCES												
Located in metropolitan cities (b)	64.172	-17,1	71.259	-21,8	135.431	-19,7	57.916	-9,7	67.000	-6,0	124.916	-7,8
Located in other cities	79.696	-17,3	85.293	-25,1	164.989	-21,5	71.204	-10,7	79.317	-7,0	150.521	-8,8
Total	143.868	-17,2	156.552	-23,6	300.420	-20,7	129.120	-10,3	146.317	-6,5	275.437	-8,3
OF WHICH: FOR BUSINESS (c)												
Located in metropolitan cities (b)	3.568	-13,5	3.768	-21,0	7.336	-17,5	3.246	-9,0	3.647	-3,2	6.893	-6,0
Located in other cities	6.132	-10,8	6.048	-27,0	12.180	-19,7	5.476	-10,7	5.777	-4,5	11.253	-7,6
Total	9.700	-11,8	9.816	-24,8	19.516	-18,9	8.722	-10,1	9.424	-4,0	18.146	-7,0

(a) Agreements present in notarial deeds

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

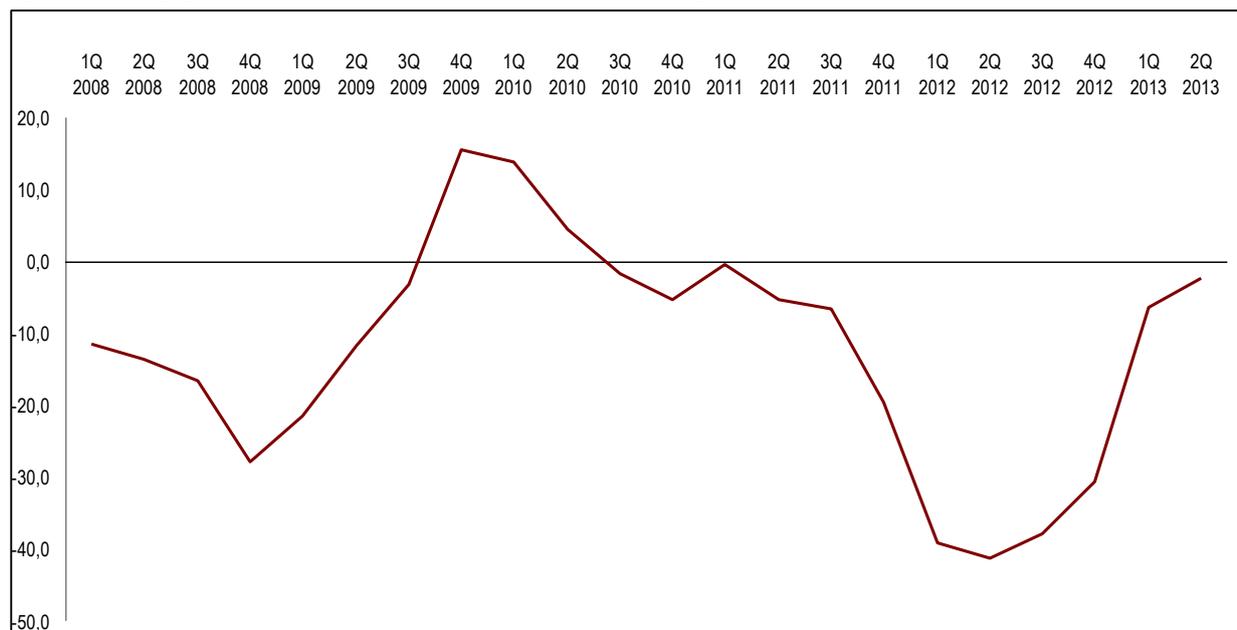
(c) Artisan, commercial, industrial use; office use; rural use (rural buildings not appurtenant to agricultural land).

Notarial deeds – Stipulation of mortgage-secured loans

60,099 mortgage-secured loans were stipulated nationwide in the first quarter of 2013, decreasing by -6.3, and 68,138 in the second quarter (-2.4%) (Table 3, Figure 2).

Mortgage-secured loans register in the first quarter of 2013 a national average of -6.3%, and in the second quarter an average of -2.4%. As already observed for transfer of properties of real estate units, the first six months of 2013 highlight a positive deceleration in year over year percentage changes fall. Furthermore, even if in the first quarter we still observe negative per cent change in all geographical areas, in the second quarter two areas experiment a positive per cent change: the Centre (02%) and the North-East (2.6%).

Figure 2 – Mortgage-secured loans. I quarter 2008 - II quarter 2013 (year over year percentage changes).



(a) Agreements present in notarial deeds

In the first and in the second quarter, notarial archive located in small cities show a less accentuated decline (-5.7%; -2.2%) than metropolitan cities (-7.1%; -2.8%) in notarial deeds stipulated for mortgage-secured loans (Table 3).

Table 3 – Stipulated mortgage-secured loans by quarter, geographic area and type of district of notarial archive. I-II quarter 2012 and 2013 (absolute values and year over year percentage changes)

GEOGRAPHICAL AREA	I quarter 2012		II quarter 2012		I-II quarter 2012		I quarter 2013		II quarter 2013		I-II quarter 2013	
	Number	2012/2011 Per cent change	Number	2012/2011 Per cent change	Number	2012/2011 Per cent change	Number	2012/2011 Per cent change	Number	2012/2011 Per cent change	Number	2012/2011 Per cent change
MORTGAGE-SECURED LOANS												
North-West	21.462	-39,2	24.289	-38,6	45.751	-38,9	20.307	-5,4	23.424	-3,6	43.731	-4,4
North-East	15.702	-36,8	16.714	-40,1	32.416	-38,6	14.694	-6,4	17.149	2,6	31.843	-1,8
Centre	13.263	-37,8	14.618	-36,0	27.881	-36,9	12.919	-2,6	14.640	0,2	27.559	-1,2
South	9.001	-41,3	9.470	-44,8	18.471	-43,1	8.336	-7,4	8.688	-8,3	17.024	-7,8
Islands	4.688	-45,8	4.739	-58,3	9.427	-52,9	3.843	-18,0	4.237	-10,6	8.080	-14,3
Italy	64.116	-39,2	69.830	-41,2	133.946	-40,3	60.099	-6,3	68.138	-2,4	128.237	-4,3
MORTGAGE-SECURED LOANS												
TYPE OF DISTRICT NOTARIAL ARCHIVE	I quarter 2012		II quarter 2012		I-II quarter 2012		I quarter 2013		II quarter 2013		I-II quarter 2013	
	Number	2012/2011 Per cent change	Number	2012/2011 Per cent change	Number	2012/2011 Per cent change	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	24.753	-7,1	28.828	-2,8	53.581	-4,8
Located in other cities	37.466	-38,6	40.178	-42,7	77.644	-40,8	35.346	-5,7	39.310	-2,2	74.656	-3,8
Total	64.116	-39,2	69.830	-41,2	133.946	-40,3	60.099	-6,3	68.138	-2,4	128.237	-4,3

(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.

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).

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