



H1 2021

RESIDENTIAL OVERVIEW

Gabetti
PROPERTY SOLUTIONS



TABLE OF CONTENTS

HIGHLIGHTS	4
REPORT SUMMARY	6
MACROECONOMIC SCENARIO	7
RESIDENTIAL AND CREDIT MARKET IN 2021	8
MARKET TRENDS	9
TREND IN RESIDENTIAL TRANSACTIONS, H1 2021	11
TRANSACTIONS BY MACRO AREA, H1 2021	12
SCENARIO IN LARGE CITIES	14
MORTGAGES	17



HIGHLIGHTS

This report analyses the **key indicators in the residential market: trend in transactions, prices, average sales times and average discounts**, with the objective of providing a complete snapshot at the national level, as

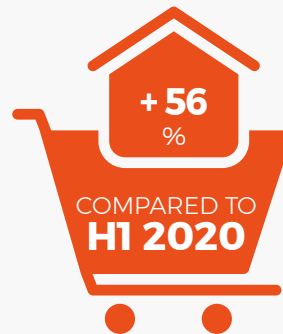
well as for the major cities.

A focus on the mortgage loans market is provided as well, covering the national trends in home purchase loans.

NUMBER OF RESIDENTIAL TRANSACTIONS



363,750
H1 2021



+ 56
%

COMPARED TO
H1 2020

Capitals **+43.8%**
Other cities **+62.4%**



NORTH
+ 54.3%



CENTRE
+ 53.9%



SOUTH
+ 61.6%

H1 2021

MORTGAGES, H1 2021



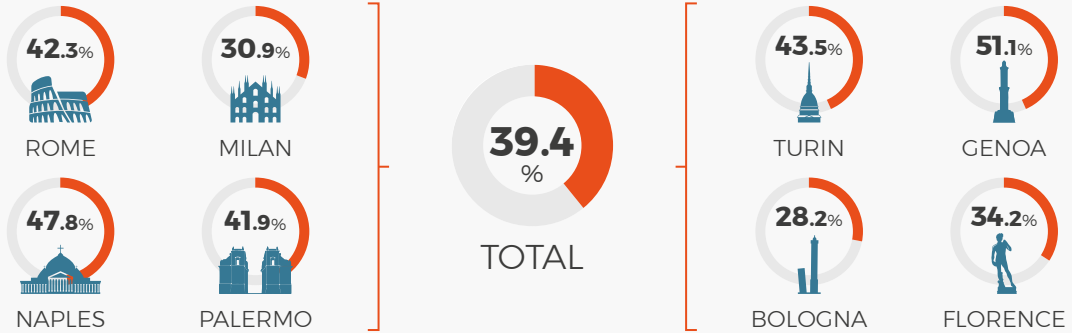
€ 31.3

Billion Disbursement
of home purchase
loans to households

+34.7% compared to H1 2020

CHANGE IN RESIDENTIAL NTN - MAJOR CITIES

H1 2021/H1 2020



+0.3%

Change in prices H1 2021/H2 2020



4.4
months

Average sale times

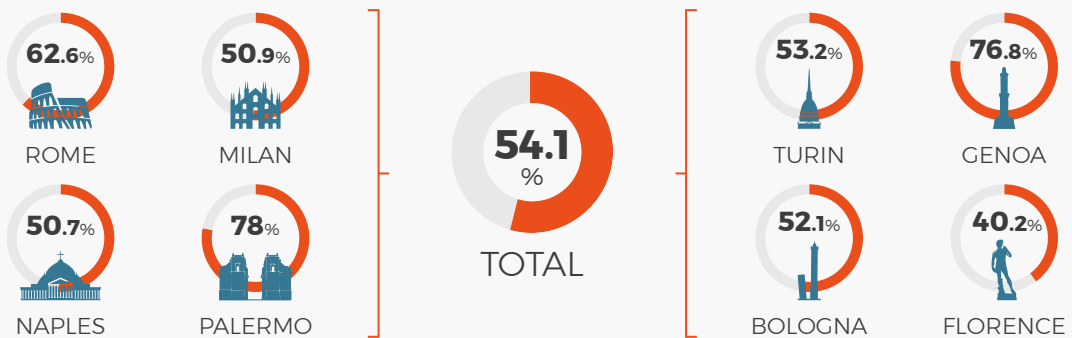


11%

Percent discounts

CHANGE IN RESIDENTIAL NTN - DATA ON REMAINING PROVINCES

H1 2021/H1 2020



REPORT SUMMARY

In the first half of 2021, the residential market recorded significant growth in terms of volume, closing with a change of +56% in transactions compared to the same period of 2020, for a total of **363,750 transactions** (Agenzia delle Entrate data). On the one hand, it was an expected increase following the downturn recorded during the lockdown period of 2020, while on the other, the data show 22% growth compared to 2019.

In particular, 162,258 transactions were recorded in the first quarter and 201,492 in the second quarter, respectively +38.6% and +73.4% against the corresponding quarters in 2020.

According to surveys by agencies of the **Gabetti, Professionecasa and Grimaldi** networks, a **change in prices** of around +0.3% was recorded in the first half of 2021 in the major cities compared to the second half of 2020. **Sales times** have dropped marginally and amount to an average of 4.4 months, while discounts granted upon closing of negotiations are down slightly, at around 11%.

With regard to mortgages to purchase a home, the favourable rates sustained demand, leading to a total disbursement to households during the first six months of the year of €31.3 billion, +34.7% compared to the first half of 2020 (Bank of Italy data).



The residential market showed a clear recovery in 2021, both in the major cities as well as in the non-capitals, improving performance with respect to 2019.



Marco Speretta
General Manager
Gruppo Gabetti



The economic recovery and the slowdown in the health emergency have resulted in significant growth in 2021 in terms of home purchase loans to households. Further stimulus is provided by guaranteed mortgages for those under 36 years of age.



Antonio Ferrara
CEO
Monety

MACROECONOMIC SCENARIO

As indicated by the Istat data, the Italian economy will record a 4.7% increase in **GDP** in 2021, in response to the economic effects of the containment measures related to the health emergency.

Based on Istat forecasts, **internal demand**, including inventories, will be back on the positive side in 2021, with a 4.8% increase in volumes and an increase in gross fixed investments of +10.9%.

While Italy's foreign trade segment declined sharply in 2020, with exports dropping by 13.8% and imports by 12.6%, the first quarter of 2021 marked a recovery. Both exports and imports of goods recorded a positive trend, with increases over the prior quarter (respectively, +1.2% and +2.1%). Istat forecasts for the full year 2021 indicate +9.6% for exports and +10.4% for imports.

In terms of **employment**, an increase of 2.0% in employed individuals was recorded in July 2021 compared to July 2020 (+444 thousand units), with a 6.9% decline in the number of individuals seeking employment (-173 thousand units) and a decrease in those aged 15 to 64 years who are not seeking employment (-3.5%, equal to -484 thousand). The **unemployment rate** drops to 9.3%.

Moreover, the increase in **private savings** should also be noted: according to ABI (Italian Banking Association) figures, in August 2021, deposits by resident customers increased by €128 billion, +7.7% compared to one year earlier, bringing total deposits to €1,799.9 billion.



4.7%

GDP



9.6%

EXPORT



9.3%

**UNEMPLOYMENT
RATE**

RESIDENTIAL AND CREDIT MARKET IN 2021

The **residential market** recorded a clear recovery in 2021 with respect to the consequences of the health emergency, which in 2020 had resulted in a decline in purchase and sale transactions. Indeed, the data for the first half of the year indicate 22% growth over the pre-pandemic figures of 2019.

With regard to **prices** during the first half of the year, minimal growth of +0.3% was recorded in the major cities compared to the second half of 2020. Sales times and average discounts decreased slightly, respectively to 4.4 months and 11%.

It is no coincidence that in the real estate investment sector, the residential segment has also seen growth in terms of volumes invested: in 2020 it accounted for around 4% of overall capital market investments, for a total of €370 million. If we also include projects involving the conversion of buildings from office to residential and, in the broader residential-to-let context, student housing, senior housing and quotas of homes within hospitality projects, investments exceed €500 million. In the **first half of 2021**, the total was **€180 million** (6% of the total, or €3 billion).

Despite the fact that a detailed assessment of creditworthiness in loan applications is a mandatory step as a preliminary guarantee for the granting of a mortgage, the number of mortgage applicants is increasingly higher compared to the prior year. In fact, there appears to be a widening of the pool of applicants seeking **increasingly longer repayment times**. This is undoubtedly due to the interest rates at historic lows, to the presence of Consap mortgages that cover 100% of the loan and, consequently, to the **lower impact of the mortgage on the household budget**.

At the same time, there is growing **demand for mortgages** which, at least for second quarter 2021, involved an increase in the **amount requested** compared to the value of the home (LTV), at 77.6% compared to the same quarter of 2020 (76.8%), symptom of less available liquidity and a greater propensity for borrowing, facilitated by the lower rates.

The **low interest rates** provide credit institutes with the possibility to offer home purchase loans to households at lower costs, contributing to stimulating the market of residential real estate transactions. Based on the latest monthly report by ABI, in August 2021, the **average rate** on new purchases of homes was up slightly to 1.47% (1.40% in July 2021) but at lows compared to the 2007 year-end average (5.72%).

In addition to driving the market of new mortgages, low interest rates have weighed heavily on the **re-mortgaging** market which, based on Bank of Italy data, grew sharply in 2020 compared to 2019, up to approximately €9.5 billion, compared to €5.2 billion in 2019, and accounting for about 19% of total disbursements. The first half of 2021 recorded a decline in the impact of re-mortgaging, which fell to 14.5%.

MARKET TRENDS

A slight increase in **prices** is expected for the second half of 2021, with **growing transactions**. With the Euro zone committed to reaching at least pre-pandemic growth levels, the ECB policy will hopefully be favourable in 2021 as well, continuing to inject liquidity at very low interest rates, which will also be reflected on bank loans to households for the purchase of homes. Moreover, from 1 January 2021, the legal interest rate on which calculation of the value of legal title of ownership is based went to 0.01%, pursuant to the provisions of the MEF Decree of 11 December 2020.

Another factor to take into consideration on the performance of the residential and credit market in 2021 is the tax advantage of the 110% **Superbonus** (envisaged with the Relaunch Decree of 19 May 2020 and confirmed with the relative extensions following the 2021 Budget), which supports energy retrofitting works in residential buildings. This acts as a stimulus on the demand for existing housing to be refurbished, including with recourse to credit, as the energy redevelopment projects of buildings may envisage an overlap of the various incentives currently present on the Italian market which, contrary to the Superbonus, do not fully cover the resources invested.

Also worthy of mention is the positive impact of the incentives introduced by the Budget in relation to extension of the 50% increase of the IRPEF deduction for **refurbishments**, deductions for energy retrofitting works, the **facade bonus** of 90% and the **green bonus**, plus the furniture and appliances bonus.

Lastly, the residential sector is expected to be increasingly attractive to investors and, in line with the new consumption and living trends, characterised by growing interest in the new forms of multi-family living, such as co-living, serviced apartments and senior living.

LEGAL AND TAX NEWS

UPDATE TO THE 2021 DEF (ECONOMIC & FINANCIAL DOCUMENT)

Extension of the 110% SuperEcobonus and SuperSismabonus to 2023 (approved at first reading by the Council of Ministers) for energy retrofitting works on residential buildings, single-family dwellings or dwellings with independent access. The go-ahead to release resources for 2023 has also been certified thanks to the EU Council's approval of the PNRR (Piano Nazionale Ripresa e Resilienza - National Recovery and Resilience Plan).

2021 BUDGET



Facades Bonus of 90% up to 31/12/2021



Ecobonus from 50 to 65% for energy retrofitting works on the building up to 31/12/2021



Bonus Casa (Home Bonus) of 50% for building renovations on residential properties until 31/12/2021



Furniture Bonus of 50% until 31/12/2021 and up to €16,000



Green bonus of 36% for landscaping of green areas in residential buildings (€5,000 per unit) until 31/12/2021

The planned extensions for all bonuses are expected to be discussed for the new 2022 Budget.

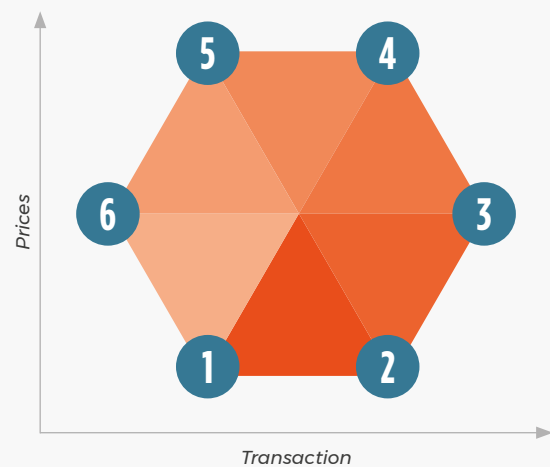
DECRETO MILLE-PROROGHE 2021 confirmed extension of the following to 30 June 2021:

- suspension of enforcement of property evictions due to arrears; for eviction proceedings from 1 October 2020 to 30 June 2021, the suspension will remain in effect until 31 December 2021.

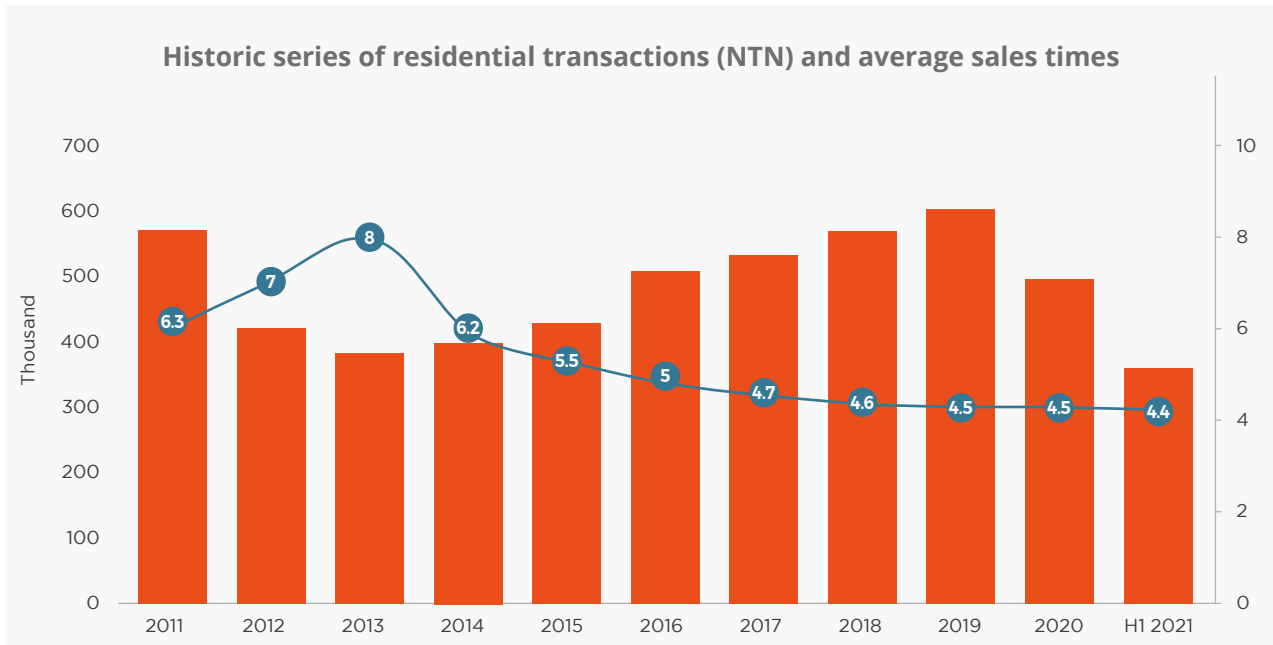
The current market phase may be represented in the “Hexagon model”, which subdivides the property cycle into six phases, one following the other, indicating the trends in prices and transactions. In particular, following the Covid-19 emergency and generally speaking, taking into consideration the entire year 2020, we quickly moved from **phase 1-2**, in which prices tend to stabilise and transactions grow, to **phase 5-6**, where we have declining prices and transactions. However, transactions and prices have resumed growth in the first half of 2021 and we have moved into **phase 2-3**.

PHASES OF THE MODEL

- PHASE 1-2:**
prices stable, increase in transactions;
- PHASE 2-3:**
prices and transactions growing;
- PHASE 3-4:**
prices continue rising, transactions slowing;
- PHASE 4-5:**
prices stable, transactions declining;
- PHASE 5-6:**
prices and transactions declining;
- PHASE 6-1:**
prices declining, transactions growing



TREND IN RESIDENTIAL TRANSACTIONS, H1 2021

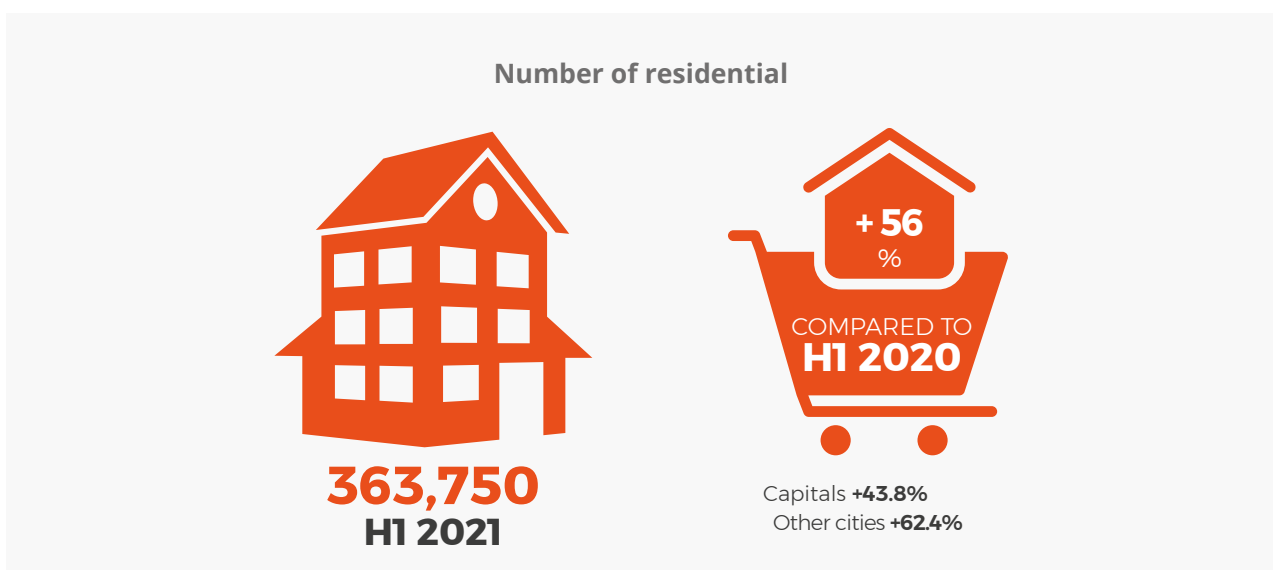


Source of NTN: Gabetti Research Department analysis of Agenzia delle Entrate data
Source average times in major cities: Gabetti

■ Transactions (NTN) — Times (months)

According to Agenzia delle Entrate data, 363,750 residential **transactions** were completed in the first half of 2021, **+56%** compared to the first half of 2020. Apart from the rebound effect due to the decline in 2020, this change indicates a significant recovery in residential transactions, with results exceeding the pre-pandemic figures.

This is also confirmed by the observations of the Gabetti, Professionecasa and Grimaldi agencies, which saw full recovery of activities in 2021.



TRANSACTIONS BY MACRO AREA, H1 2021

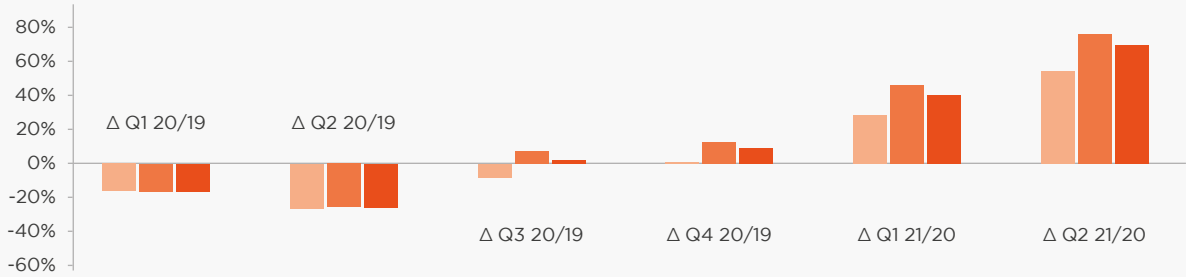
In the first half of 2021, all macro areas recorded a positive change: +54.3% in the North, +53.9% in the Centre and +61.6% in the South. Overall, the capitals showed a variation of +43.8%, while the other cities recorded +62.4%.

RESIDENTIAL MARKET - QUARTERLY NTN - MACRO AREAS (Q1 2020 - Q2 2021)										
AREA		Q1 2020	Q2 2020	Q3 2020	Q4 2020	Tot 2020	Q1 2021	Q2 2021	H1 2021	H1 2020
NORTH	Provincial Capitals	20,437	20,776	21,786	29,014	92,013	26,151	31,886	58,037	41,213
	Other cities	42,308	44,978	54,663	72,307	214,255	61,550	78,688	140,238	87,285
	TOTAL	62,745	65,754	76,448	101,321	306,268	87,701	110,574	198,275	128,498
CENTRE	Provincial Capitals	11,472	11,363	11,741	16,187	50,763	14,932	17,986	32,918	22,835
	Other cities	13,195	12,816	15,776	21,348	63,134	18,637	23,623	42,260	26,011
	TOTAL	24,666	24,179	27,517	37,535	113,897	33,569	41,608	75,178	48,846
SOUTH	Provincial Capitals	8,799	7,956	9,750	12,308	38,813	11,771	13,446	25,217	16,755
	Other cities	20,837	18,285	27,609	32,217	98,948	29,217	35,864	65,081	39,122
	TOTAL	29,636	26,241	37,359	44,526	137,761	40,988	49,310	90,298	55,877
ITALY	Provincial Capitals	40,708	40,095	43,277	57,510	181,589	52,853	63,318	116,171	80,803
	Other cities	76,339	76,079	98,047	125,872	376,337	109,404	138,175	247,579	152,419
	TOTAL	117,047	116,174	141,324	183,381	557,926	162,258	201,492	363,750	233,221

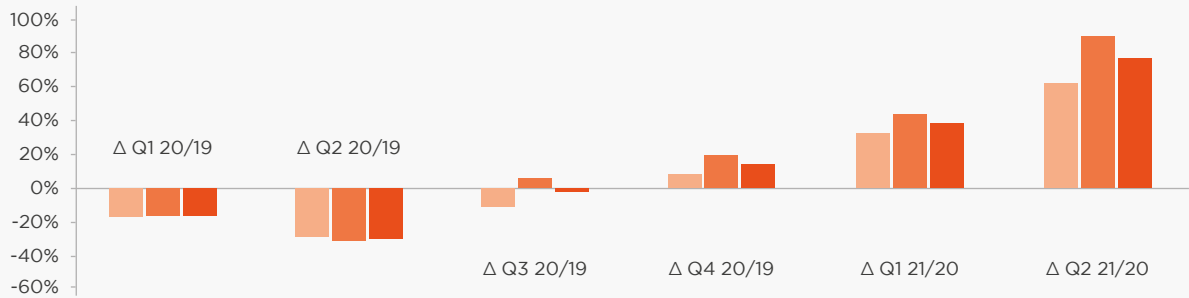
RESIDENTIAL MARKET - VARIATION RATE (Q1 2020 - Q2 2021)										
AREA		Δ Q1 20/19	Δ Q2 20/19	Δ Q3 20/19	Δ Q4 20/19	Δ 20/19	Δ Q1 21/20	Δ Q2 21/20	Δ H1 21/20	Δ H1 21/19
NORTH	Provincial Capitals	-15.3%	-25.3%	-7.9%	1.0%	-11.8%	28.0%	53.5%	40.8%	11.7%
	Other cities	-15.8%	-24.4%	6.9%	12.3%	-4.9%	45.5%	74.9%	60.7%	27.8%
	TOTAL	-15.7%	-24.7%	2.2%	8.8%	-7.1%	39.8%	68.2%	54.3%	22.6%
CENTRE	Provincial Capitals	-14.8%	-25.3%	-9.6%	6.9%	-10.6%	30.2%	58.3%	44.2%	14.8%
	Other cities	-14.2%	-27.2%	4.9%	16.8%	-4.8%	41.2%	84.3%	62.5%	28.1%
	TOTAL	-14.5%	-26.3%	-1.8%	12.3%	-7.5%	36.1%	72.1%	53.9%	21.9%
SOUTH	Provincial Capitals	-15.5%	-30.9%	-0.4%	2.3%	-11.3%	33.8%	69.0%	50.5%	15.0%
	Other cities	-16.6%	-35.0%	12.0%	7.7%	-8.1%	40.2%	96.1%	66.4%	22.5%
	TOTAL	-16.3%	-33.8%	8.5%	6.2%	-9.0%	38.3%	87.9%	61.6%	20.3%
ITALY	Provincial Capitals	-15.2%	-26.5%	-6.8%	2.9%	-11.4%	29.8%	57.9%	43.8%	13.3%
	Other cities	-15.8%	-27.7%	8.0%	11.8%	-5.7%	43.3%	81.6%	62.4%	26.4%
	TOTAL	-15.6%	-27.3%	3.0%	8.8%	-7.7%	38.6%	73.4%	56.0%	21.9%

Annual variation rate: represents the percent variation between one quarter and the same quarter of the prior year
Cabetti Research Department analysis of Agenzia delle Entrate data

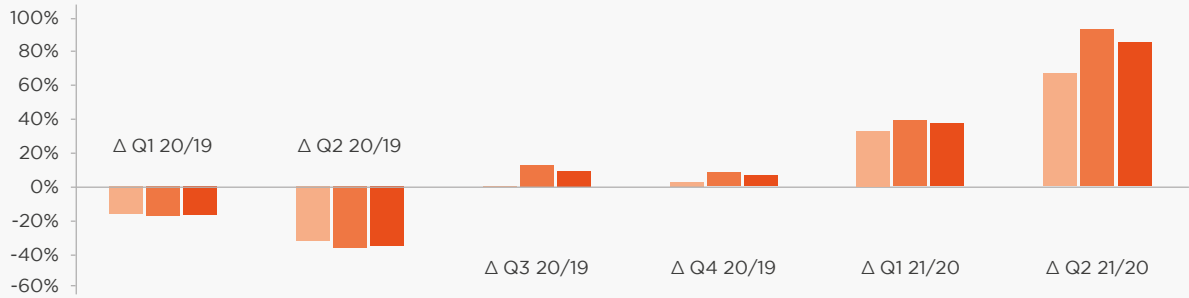
RESIDENTIAL MARKET - VARIATION RATE - NORTH (Q1 2020 - Q2 2021)



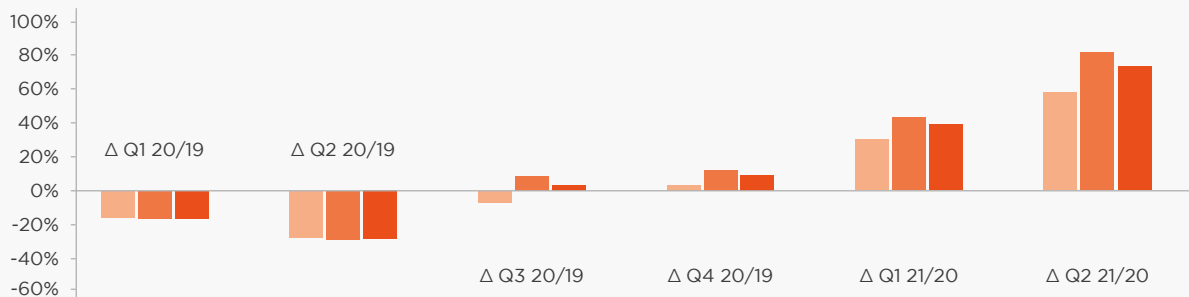
RESIDENTIAL MARKET - VARIATION RATE - CENTRE (Q1 2020 - Q2 2021)



RESIDENTIAL MARKET - VARIATION RATE - SOUTH (Q1 2020 - Q2 2021)



RESIDENTIAL MARKET - VARIATION RATE - ITALY (Q1 2020 - Q2 2021)



Gabetti Research Department analysis of Agenzia delle Entrate data

Capitals Other cities Total

SCENARIO IN LARGE CITIES

TRANSACTIONS

Looking at the top eight Italian cities by population, a total of 57,928 transactions were recorded in the first half of 2021, +39.4% compared to the first half of 2020 and +9.6% compared to the same period in 2019. The remaining provinces simultaneously recorded a 54.1% change with respect to the first half of 2020 and 21.3% compared to H1 2019.

All cities recorded a recovery from the pre-pandemic volumes: in particular, Genoa recorded 21% growth compared to 2019, followed by Rome (14.7%) and Turin (12%). Florence (+10.6%) and Palermo (+9.4%) also showed impressive performance. Growth was more limited in Bologna (+4.2%) and Naples (6.1%), while it was stable in Milan (+0.6%).

RESIDENTIAL MARKET QUARTERLY NTN - MAIN PROVINCIAL CAPITALS						RESIDENTIAL MARKET - ANNUAL VARIATION RATE - MAIN PROVINCIAL CAPITALS			
CITY	Tot 2020	Q1 2021	Q2 2021	H1 2020	H1 2021	Δ Q1 21/20	Δ Q2 21/20	Δ H1 21/20	Δ H1 21/19
ROME	29,505	8,673	10,480	13,462	19,153	28.6%	56.1%	42.3%	14.7%
MILAN	21,625	5,647	7,627	10,138	13,275	14.4%	46.6%	30.9%	0.6%
TURIN	11,868	3,515	4,163	5,351	7,678	31.6%	55.3%	43.5%	12.0%
GENOA	6,706	2,079	2,465	3,008	4,544	36.7%	65.7%	51.1%	21.4%
NAPLES	6,335	1,923	2,219	2,803	4,142	30.4%	67.1%	47.8%	6.1%
PALERMO	4,988	1,447	1,656	2,186	3,103	19.2%	70.3%	41.9%	9.4%
BOLOGNA	5,348	1,495	1,787	2,560	3,282	14.9%	42.0%	28.2%	4.2%
FLORENCE	4,214	1,210	1,542	2,051	2,752	17.3%	51.2%	34.2%	10.6%
TOTAL	90,590	25,989	31,939	41,558	57,928	24.4%	54.6%	39.4%	9.6%

RESIDENTIAL MARKET - QUARTERLY NTN MAIN PROVINCES EXCL. PROVINCIAL CAPITALS						RESIDENTIAL MARKET ANNUAL VARIATION RATE - MAIN PROVINCES			
PROVINCE	Tot 2020	Q1 2021	Q2 2021	H1 2020	H1 2021	Δ Q1 21/20	Δ Q2 21/20	Δ H1 21/20	Δ H1 21/19
ROME	14,797	4,657	5,507	6,251	10,164	41.5%	86.1%	62.6%	23.9%
MILAN	33,902	9,767	12,559	14,799	22,326	41.7%	58.8%	50.9%	21.0%
TURIN	16,159	4,432	5,885	6,736	10,317	31.5%	74.9%	53.2%	23.0%
GENOA	3,310	986	1,317	1,303	2,304	51.7%	101.8%	76.8%	34.5%
NAPLES	10,295	3,100	3,678	4,499	6,778	29.3%	75.0%	50.7%	8.8%
PALERMO	3,729	1,133	1,398	1,422	2,531	43.6%	120.9%	78.0%	17.5%
BOLOGNA	7,508	2,039	2,799	3,181	4,838	39.5%	62.9%	52.1%	26.5%
FLORENCE	6,311	1,807	2,144	2,817	3,951	30.0%	50.2%	40.2%	25.1%
TOTAL	96,011	27,922	35,287	41,008	63,210	37.9%	69.9%	54.1%	21.3%

Annual variation rate: represents the percent variation between one quarter and the same quarter of the prior year
Cabetti Research Department analysis of Agenzia delle Entrate data

PRICES

In terms of prices, an average change of around +0.3% was recorded in **H1 2021**, inverting the trend of the prior half-year.

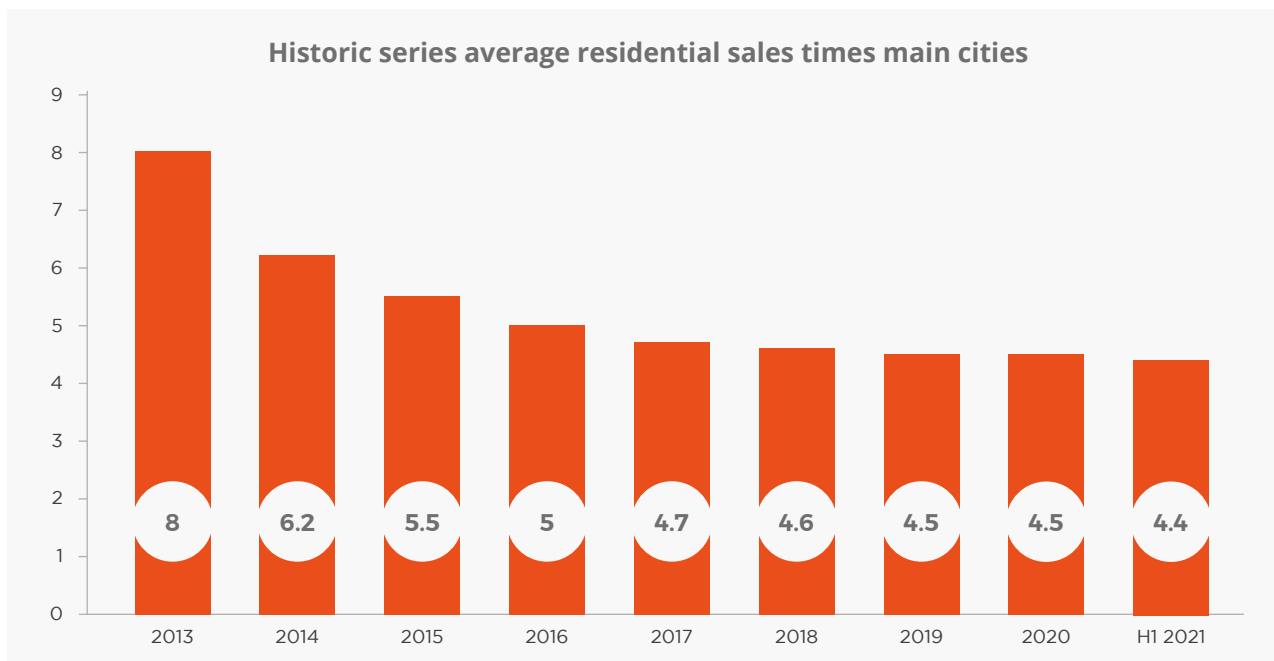
Looking at the half-year variation, **Milan** (+2.7%) stands out for its positive result, as also demonstrated during the prior half-year. The same trend was observed in Bologna, albeit with more limited variations (+0.8%). Positive variations were also recorded in Naples (+0.5%), while Florence (0%), Genoa (-0.1%) and Palermo (-0.3%) were essentially stable, and Rome's negative variation lessened (-0.6%).

CITY	HALF-YEARLY VARIATION IN RESIDENTIAL PRICES	
	H2 2020/H1 2020	H1 2021/H2 2020
ROME	-1.5%	-0.6%
MILAN	+1.6%	+2.7%
TURIN	-2.6%	-0.7%
GENOA	-3.6%	-0.1%
NAPLES	-0.5%	+0.5%
PALERMO	-0.7%	-0.3%
BOLOGNA	+0.6%	+0.8%
FLORENCE	-0.1%	+0.0%
AVERAGE	-0.9%	+0.3%

Gabetti Research Department analysis of Gabetti, Professionecasa and Grimaldi data

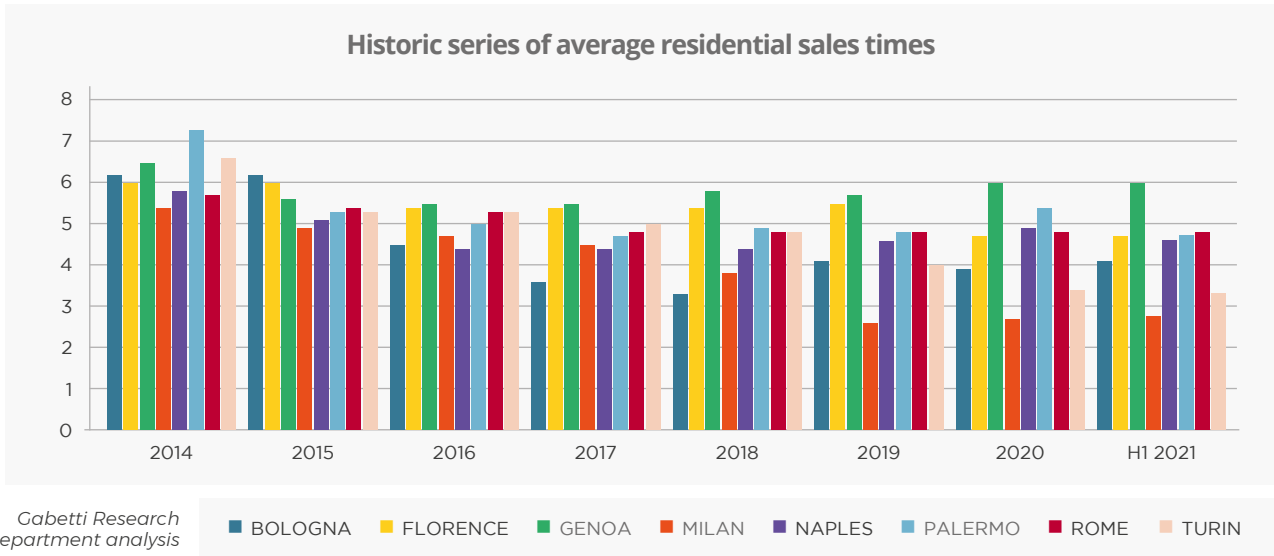
SALES TIMES AND AVERAGE DISCOUNTS

Average sales times in the large cities are down slightly, at an average of 4.4 months, compared to 4.5 in 2020.

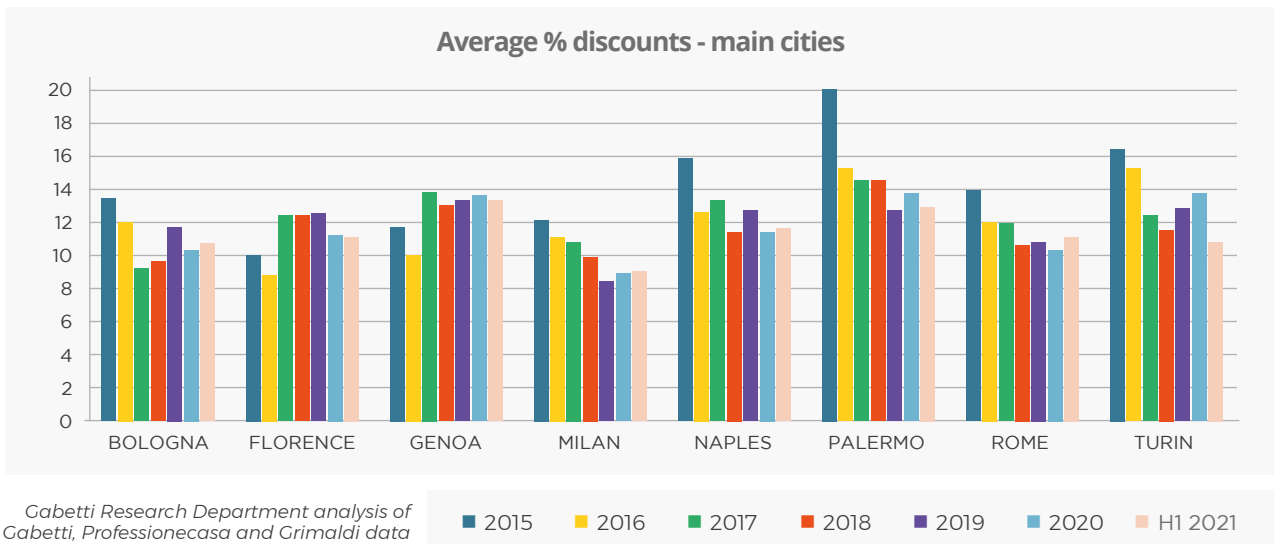
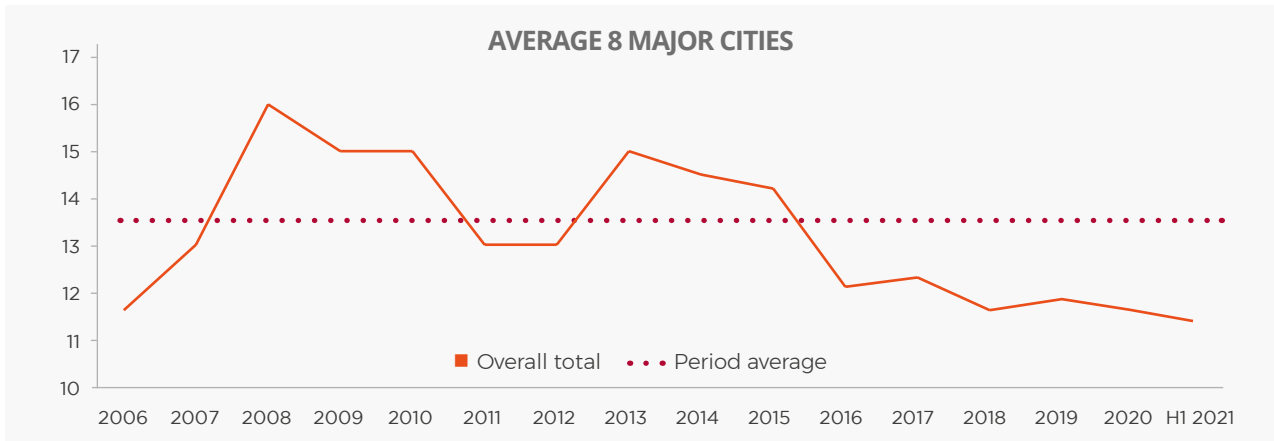


Gabetti Research Department analysis of Gabetti, Professionecasa and Grimaldi data

■ Average Main Cities



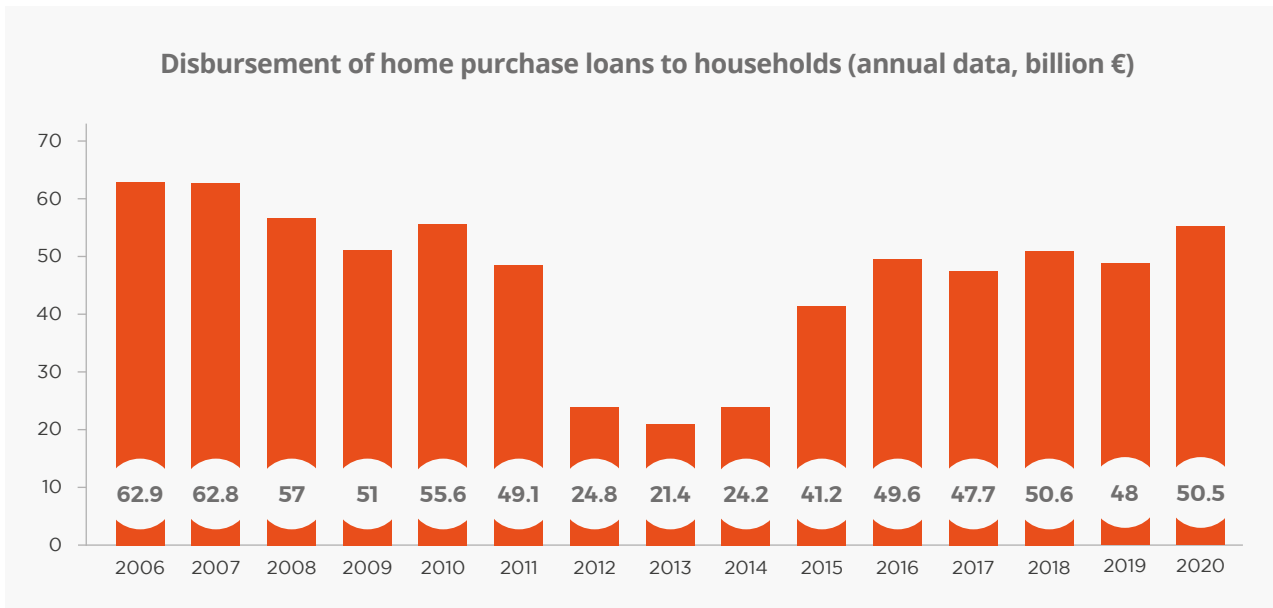
During the first half of 2021, the **average discount** between the asking price of sellers and the final transaction price for large cities was around **11.3%** for existing properties, down slightly. However, even this average contains a significant difference between properties listed at “adjusted price”, with the above percentage falling even below 10%, and those that are introduced onto the market at non-current prices, with subsequent decreases.



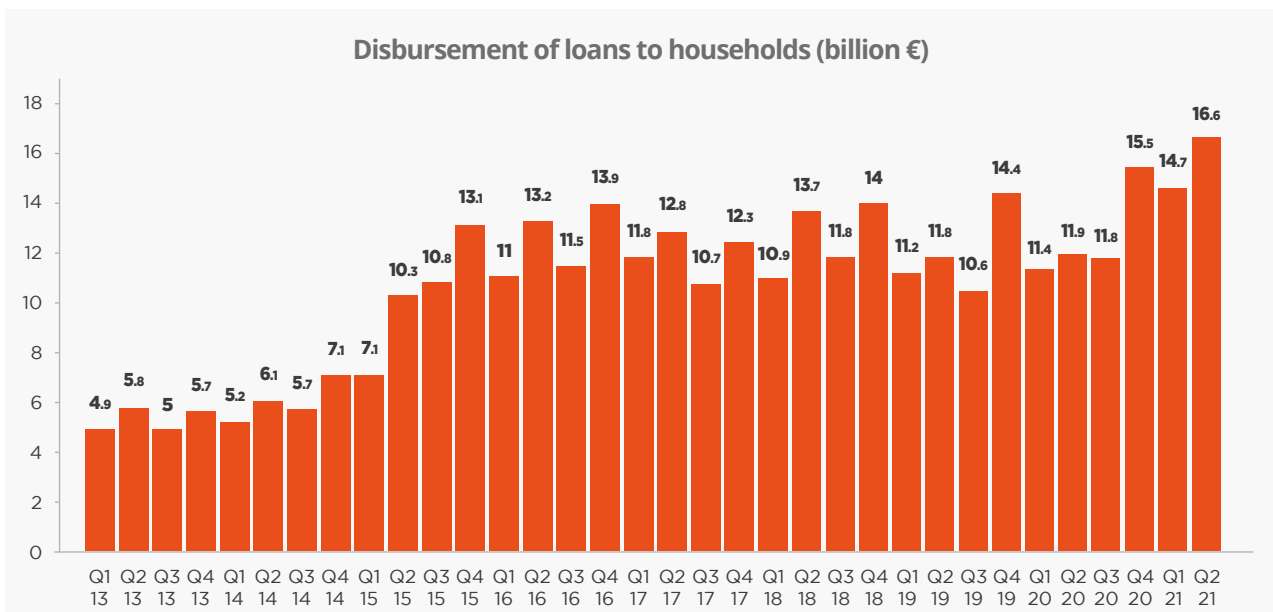
MORTGAGES

DISBURSEMENT OF HOME PURCHASE LOANS

Loans to households for the purchase of homes amounted to a total of **€50.5 billion** in 2020, +5.2% compared to 2019 (Bank of Italy data).



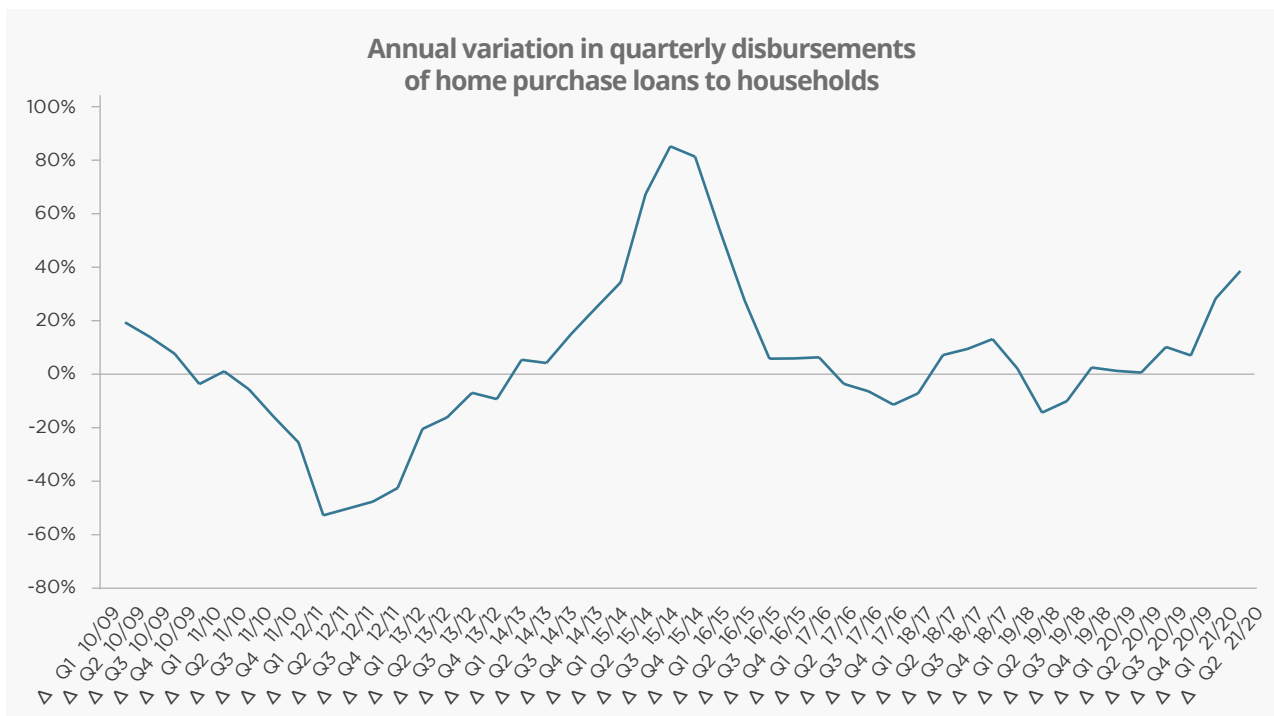
Cabetti Research Department analysis of data from the Bank of Italy database



Cabetti Research Department analysis of data from the Bank of Italy database

Looking at the historic annual trend, total disbursements in 2014 amounted to €24.2 billion, +13% compared to 2013. Steady growth was recorded in 2015, for a total of €41.2 billion, +70.6% compared to 2014. In 2016, the volume disbursed reached €49.7 billion, +20.5% compared to 2015. In 2017, the total amount disbursed was €47.7 billion, -4% compared to the same period in 2016. The 2018 total was €50.6 billion, +6.3%, while a slight decrease was recorded in 2019 (-3.4%), for a total of €48.9 billion. Following good performance of the fourth quarter with €15.5 billion, 2020 closed at +5.2% compared to 2019, for a total amount disbursed of €50.5 billion, equalling the highest volume achieved in 2018. First quarter 2021 recorded sharp growth with €14.7 billion disbursed, +29.3% compared to first quarter 2020, while second quarter recorded €16.6 billion, or +39.9%.

An analysis of the annual trends recorded in the various quarters shows how, starting from Q1 2014, positive variations were recorded for all quarters considered, inverting the prior negative trend until Q1 2017, when the trend shifted with the return of negative changes, to then go back to positive from Q2 2018. Q4 2020 marked a further positive trend, as did Q1 2021.

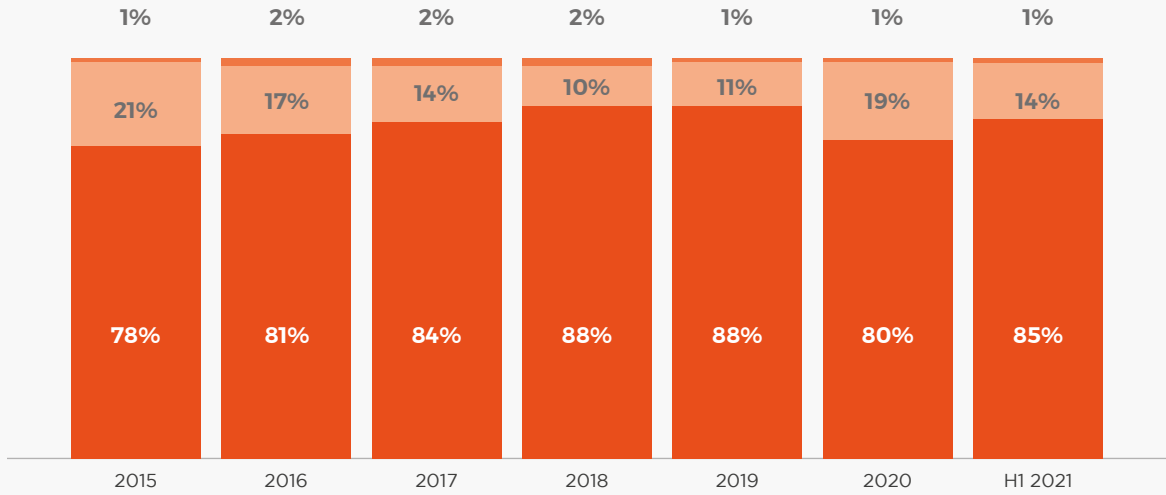


Cabetti Research Department analysis of data from the Bank of Italy database

Overall, the graph shows the sharp decrease in disbursements that characterised the financial crisis of 2008, which in Italy was felt several years later from third quarter 2011 to third quarter 2015. It also shows the sharp rise during the last quarter of 2020, a sign that there is a good level of confidence between lenders and mortgage applicants.

In general, despite the Covid emergency, a positive annual variation was recorded during the four quarters of 2020 as well, respectively +1.6%, +0.9%, +10.7% and +7.5%, mainly due to the greater weight of the re-mortgaging and substitution component (19% compared to 11% of the prior year). A positive variation also recorded in the first half of 2021, with +34.7% compared to H1 2020, mainly due to the favourable trend in interest rates that is driving mortgage demand. In this case, the percentage of re-mortgaging and substitutions declined to 14%.

Distribution of home purchase loans to households

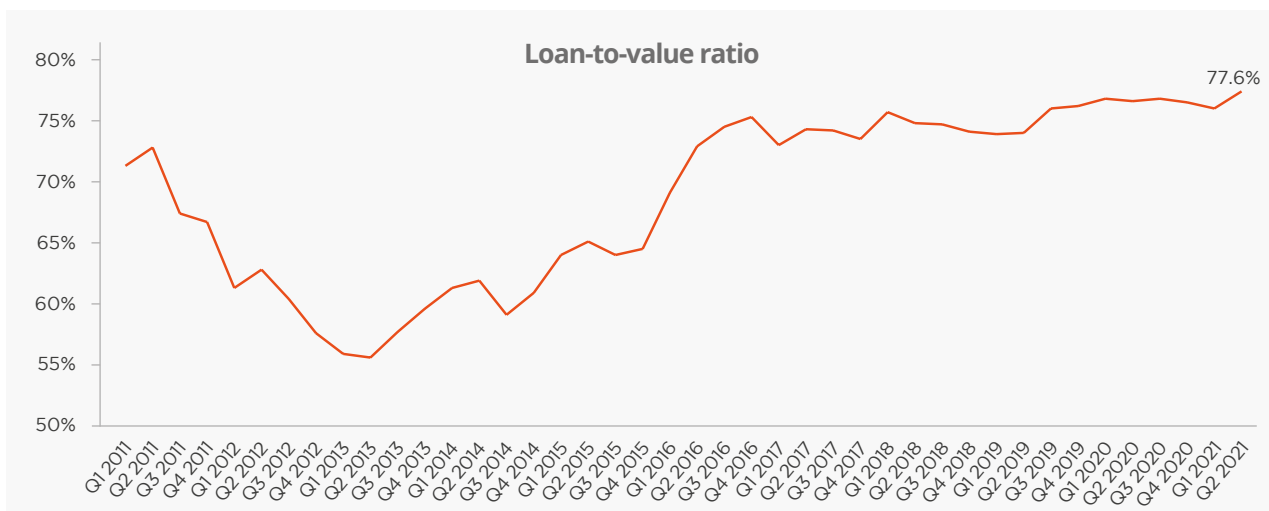


Gabetti Research Department analysis of data from the Bank of Italy database

■ New contracts ■ Re-mortgaging ■ Substitution

LOAN-TO-VALUE RATIO

Based on the Bank of Italy’s economic survey of the residential market, the loan-to-value (LTV) ratio of property in **second quarter 2021** was **77.6%**, up slightly compared to the prior quarter’s figure and stable compared to the corresponding quarter in 2019 (76.8%).



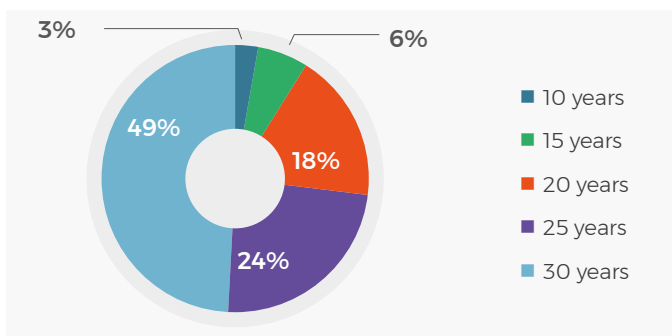
Economic survey of the Italian residential market - Bank of Italy

DEMAND FOR MORTGAGES

According to the requests for home purchase mortgages recorded by **mutuiSI.it**, in the first half of 2021, the average amount requested was **€145,739**, essentially in line with 2020.

With regard to term, **25/30-year** mortgages prevail, accounting for approximately 73% of requests. This follows the same reasoning that was outlined for the average amount: interest rates at historic lows allow one to ask for a higher amount, spreading it out over 25 to 30 years and weighing less on the household's monthly budget.

% APPLICATIONS BY MORTGAGE TERM

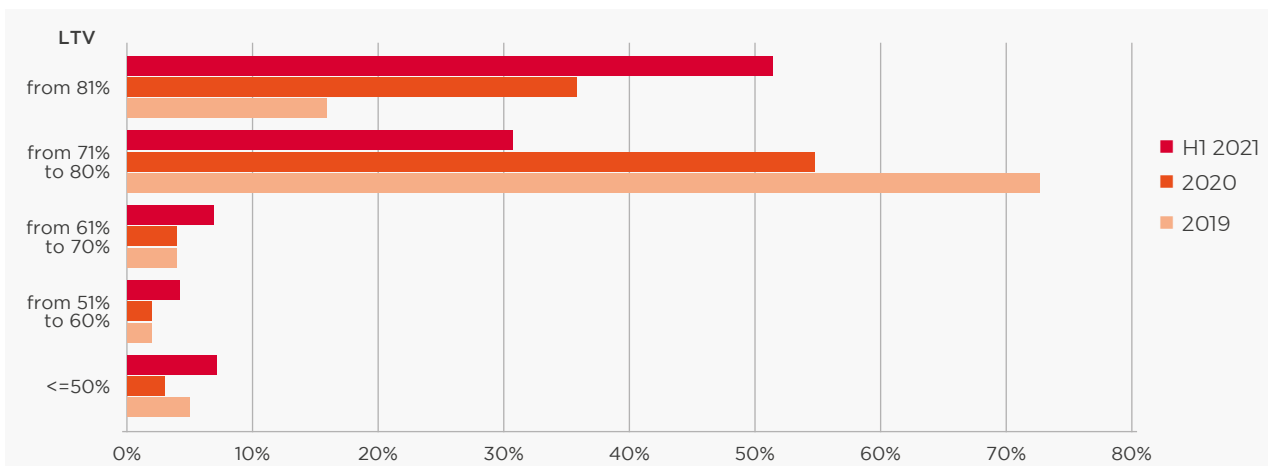


	2019	2020	2021
10 YEARS	4%	4%	3%
15 YEARS	9%	7%	6%
20 YEARS	16%	19%	18%
25 YEARS	29%	28%	24%
30 YEARS	42%	43%	49%

Gabetti Research Department analysis of mutuiSI.it data

In line with the other institutional sources, **fixed rate prevailed at 94%** of requests in 2020. Fixed rate is also preferred over floating rate given the turbulence of the financial markets, which could impact the financial stability of the credit system in a country like Italy due to its high public debt and oscillation of the spread.

2020 REQUESTS BY LTV



Gabetti Research Department analysis of mutuiSI.it data

The ratio of loan amount granted and value of the property, known as Loan to Value (LTV), indicates that the amount most requested in first half of 2021 (52% of requests) was over 81% of the value of the property. This figure is up compared to both 2019, which was at 16%, as well as 2020, which recorded 45%. The comeback is predominantly due to the duration of low interest rates and recovery of the Italian economy.

AMOUNT CATEGORIES

In the first half of 2021, significant differences were also observed in the **amount categories** compared to 2020 and 2019. Requests for mortgages below €100,000 grew in terms of overall weight, accounting for 40% of the total, compared to 20% in 2020. Those from €101,000 to €150,000 declined to 36% of the total. Applications for loan amounts of **between €151,000 and €200,000** increased from 14% in 2020 to 24% in H1 2021.

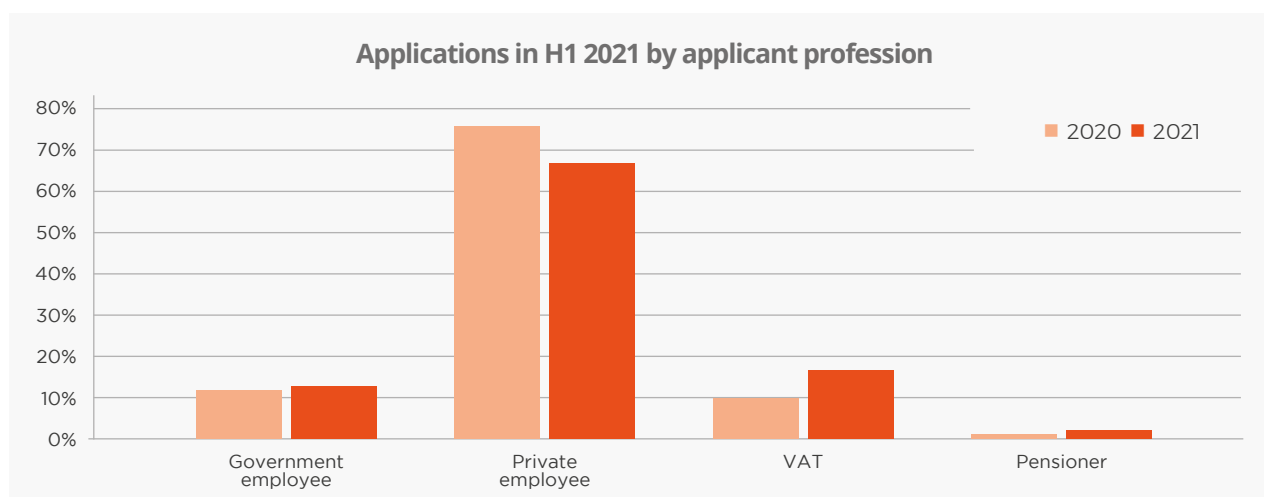
AMOUNT CATEGORIES	2019	2020	H1 2021
≤ 100.000	14%	21%	40%
from 101.000 to 150.000	76%	65%	36%
from 151.000 to 200.000	10%	14%	23%
Overall total	100%	100%	100%

Cabetti Research Department analysis of mutuiSI.it data

PROVINCE	%	AVERAGE AMOUNT REQUESTED
MILAN	15%	154,849
ROME	11%	158,882
TURIN	7%	137,117
MONZA E BRIANZA	3%	146,537
VARESE	3%	146,442
BERGAMO	3%	141,120
NAPLES	3%	143,543
BRESCIA	2%	139,876
BOLOGNA	2%	155,641
VERONA	2%	144,326
GENOA	2%	138,475
VENICE	2%	138,334
FLORENCE	2%	154,121
PADUA	2%	139,663

In terms of origin, the highest number of applications originated from the province of **Milan** (15%), followed by **Rome** (11%) and **Turin** (7%).

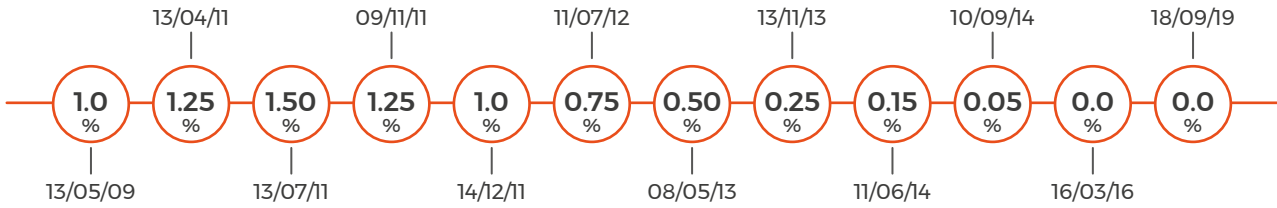
With regard to applicant profile, a predominance of **private employees** was confirmed, at **68%**, also applications by those with VAT numbers are growing in relative terms.



Cabetti Research Department analysis of mutuiSI.it data

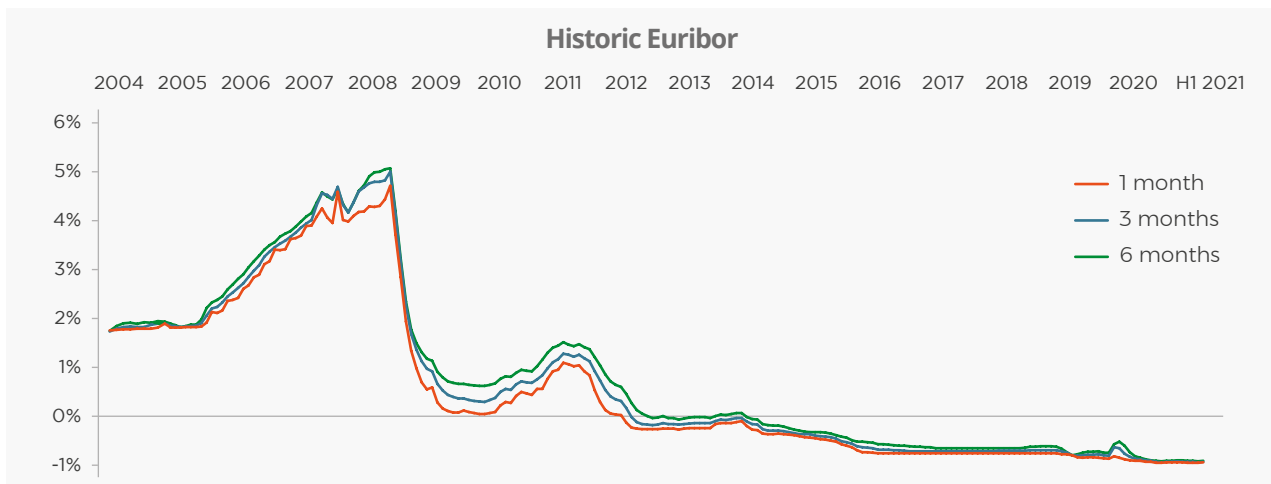
TREND IN RATES

Since the first wave of liquidity in December 2011 by the ECB, the Euribor rates governing variable loans have diminished considerably. Looking at the subsequent phases, after the ECB’s decision in July 2012 to lower **interest rates** by a quarter of a point, bringing the benchmark rate to 0.75%, the Euribor declined further: at the beginning of May 2013, the ECB cut interest rates to 0.50%, followed by another cut in November, down to 0.25%, and a further cut in June 2014, bringing them down to 0.15%. The cut in September 2014 brought rates down to 0.05%, while in March 2016 the rate was set at 0.00%.



Processing of Bank of Italy data

Reports by the SI-ABI indicate that in August 2021, **the rate on euro loans to households** for the purchase of homes - which summarises the trend in fixed and floating rates and is also impacted by the change in breakdown among disbursements based on mortgage type - was 1.47% (1.40% in the previous month; 5.72% at the end of 2007). Of the total new mortgage disbursements, 76.9% were fixed rate (89.1% the previous month) (Abi, Economia e Mercati Finanziari-Creditizi September 2021). A specific analysis of the Euribor trend show that since 2015 it has been negative, reaching -0.55% in September 2021 for the one-month maturity and -0.54% for the three-month.



Gabetti Research Department analysis of euribor.it data

As regards the **Eurirs**, the reference interbank rate used as a parameter for indexing fixed-rate mortgages, the 10-year rate stands at **0.17%**, while the 15-year rate was 0.41% as of 28/09/2021.

FIXED RATE	EURIRS
5 YEARS	-0.19%
10 YEARS	0.17%
15 YEARS	0.41%
20 YEARS	0.50%
25 YEARS	0.53%
30 YEARS	0.51%

Data 28/09/2021

OUR REPORTS:



Residential Overview



Leaseholds



Prestigious Homes Market



Investment Overview



Office Market Overview



Office Quality Focus



Hotels



Building Renovation



Remote working and new housing requirements



All our reports are available at gabettigroup.com in the Research Department section



Stay tuned for our upcoming reports by following us on [LinkedIn](#)

This report must not constitute the basis for negotiations or transactions without specific and qualified professional assistance. Although we have examined the facts and data contained in this report, Gabetti Property Solutions S.p.A. does not in any way guarantee their accuracy and truthfulness and declines any and all responsibility with regard to any damage, direct or indirect, of any nature, suffered by third parties in relation to the contents of this report. The information and data contained in the report may be published, provided that the source is stated. Apart from the above, they may not be reproduced, wholly or partially, nor may any reference be made to them without prior authorisation by Gabetti Property Solutions S.p.A. - © Gabetti Property Solutions S.p.A. 2021



Research Department

Francesca Fantuzzi

Supervisor

ffantuzzi@gabetti.it

Analysts

Chiara Grandino

cgrandino@gabetti.it

Diego Vitello

dvitello@gabetti.it

