BANCA D'ITALIA
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Statistics

Italian Housing Market Survey
Short-term Outlook

16 November 2017

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www.bancaditalia.it/statistiche/index.html

Main findings

According to the Italian Housing Market Survey carried out between 25 September and 25 October 2017 among 1,463 real estate agents, in the third quarter of 2017 the share of agents that reported downward pressures on housing prices diminished. Compared with the previous survey, demand strengthened: the number of potential buyers increased, and both selling times and the discount on initial asking prices decreased.

Mortgage loans continued to finance most house purchases (around 80 per cent). Even the loan-to-value ratio remained at cyclically high levels, covering more than 70 per cent of the property's value.

Estate agents' expectations regarding the outlook for the housing market became significantly more optimistic compared with both the previous survey and the third quarter of 2016.

Figure 1

Property selling prices (1)

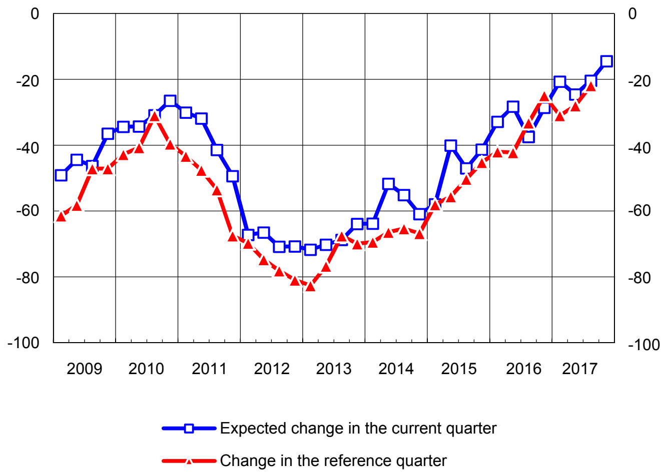
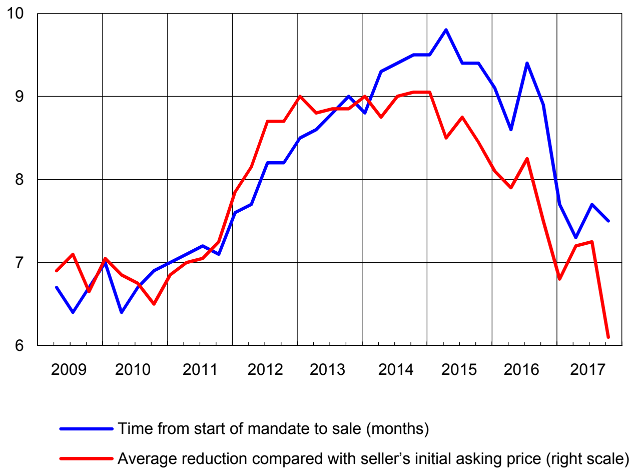


Figure 2

Selling times and final price paid compared with seller's initial asking price (2)



(1) Balance of opinions indicating an 'increase' or a 'decrease'. – (2) Average reduction in percentage points.

Reference period: Q3 2017

ITALIAN HOUSING MARKET SURVEY[1]

Downward pressures on selling prices ease

In the third quarter of 2017, the negative balance of opinions pointing to rising selling prices versus decreasing prices continued to narrow, contracting to -21.9 percentage points from -28.0 in the previous survey (Table 1 and Figure 1). This was common to all geographical areas. The proportion of replies indicating price stability increased from 66.4 per cent to 71.9 per cent in Italy as a whole.

The share of agents that sold at least one property remains high

The share of agents that sold at least one property fell to 75.1 per cent from 80.6 per cent in the previous survey (Table 2); compared with the same quarter in 2016, which is unaffected by seasonal factors, it increased slightly. The positive balance between agents reporting an increase in potential buyers and those reporting a decrease widened (Table 3).

The stock of sale listings remains substantially unchanged

The large majority of agents continued to indicate substantial stability in the stock of sale listings (63.2 per cent, against 65.4 in the July survey; Table 3 and Figure 3). The share of agents reporting higher stocks increased from 17.4 per cent to 19.4 per cent.

According to estate agents, the cancellation of listings was still mainly due to the gap between asking prices and offers: the share of sellers that deemed the offers received to be too low increased significantly, rising to 46.7 per cent (Table 4). A large share of buyers continued to believe that asking prices were too high, although the proportion fell to 37.8 per cent.

The discount on the initial asking price decreases

The average discount on initial asking prices fell to 10.2 per cent, from 12.5 per cent in July (Table 5 and Figure 2): this reduction, which was common to all geographical areas, was particularly pronounced in the regions of Central Italy. Selling times decreased marginally, falling from 7.7 months to 7.5 months (Table 6 and Figure 2).

The share of house purchases financed by mortgages remains high

The share of house purchases financed with a mortgage was around 80 per cent, similar to the level reported in the previous period (Table 6). The loan-to-value ratio also remained virtually unchanged at 74.4 per cent (Table 6 and Figure 5): the increase reported in the South was offset by the fall reported in the North-East.

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[1] The report was prepared by Tatiana Cesaroni, Marianna Riggi and Sergio Santoro (with editorial assistance from Giuseppe Brignone and assistance from Roberto Marano for the charts and figures). The Italian Housing Market Survey is conducted jointly by the Bank of Italy, Tecnoborsa (Giampiero Bambagioni and Ettore Troiani) and Italy's Revenue Agency (Osservatorio del Mercato Immobiliare; Maurizio Festa and Gianni Guerrieri). We would like to thank all the estate agents that agreed to take part. The data were collected exclusively for the purpose of economic analysis and have been handled and process in aggregate form, in full compliance with Italy's law on the processing of personal data. The methodological note, the survey questionnaire and the statistical appendix are available at the following links:
https://www.bancaditalia.it/pubblicazioni/sondaggio-abitazioni/methods_and_sources.pdf
http://www.bancaditalia.it/pubblicazioni/sondaggio-abitazioni/2017-sondaggio-abitazioni/03/en_quest_III_trim_2017.pdf
http://www.bancaditalia.it/pubblicazioni/sondaggio-abitazioni/2017-sondaggio-abitazioni/03/en_app_stat_III_trim_2017.zip

Downward pressures on rental prices ease

The percentage of estate agents reporting they had let at least one property rose slightly, to 83.8 per cent from 83.0 per cent in the July survey (Table 7); higher levels were reported in the North, while the market was less active in the Centre and South. The balance between the replies indicating an increase and a decrease in rents remained negative but to a lesser extent than in the previous survey, narrowing to -9.4 percentage points from -12.1; the improvement was more pronounced in the Centre, where the negative balance narrowed by about 10 percentage points to -14.8.

For the current quarter, the balance between agents expecting an increase in rental prices and those expecting a decrease was slightly negative at -0.7 percentage points, against 3.9 in July (Table 7). The average discount on rental prices compared with the initial asking price was largely unchanged at 3.3 per cent (Table 8), but was smaller in the North-East. The share of estate agents reporting a decrease in new lettings fell to 25.9 per cent, from 30.2 per cent in the previous survey (Table 8).

Estate agents' expectations regarding their own market are much more favourable

Estate agents' expectations on the short-term outlook for their own market improved markedly: in the current quarter, the balance between replies indicating an improvement and those indicating a worsening increased to 24.5 percentage points, higher than the balances reported in both the July 2017 survey (7.7 percentage points) and the October 2016 survey (9.5 percentage points), which was unaffected by seasonal factors (Table 9). The balance between replies indicating an increase or decrease in new sale listings was broadly positive at 28.4 percentage points, more than 10 points higher than in the year-earlier period (the balance was 10.3 points in the July survey). The share of estate agents expecting a fall in prices in the current quarter dropped from 23.8 to 20.9 per cent (Table 9), while the share predicting stable prices remained more or less unchanged at 72.7 per cent.

Expectations regarding the domestic market also improve

Even the outlook for the domestic real estate market improved significantly compared with both the July survey and the year-earlier period. The balance between replies indicating an improvement in the short-term outlook for the domestic real estate market and those indicating a worsening widened to 22.5 percentage points, from 3.9 in the previous survey and 8.1 in the October 2016 survey (Table 10). Expectations for the medium term (two years) were more optimistic: the balance between replies indicating an improvement and those indicating a deterioration stood at 48.9 percentage points, compared with 43.3 in the July survey (35.3 in the October 2016 survey).

Figures and tables

Figure 3

Sale listings and potential buyers
(balance of opinions indicating an increase or a decrease)

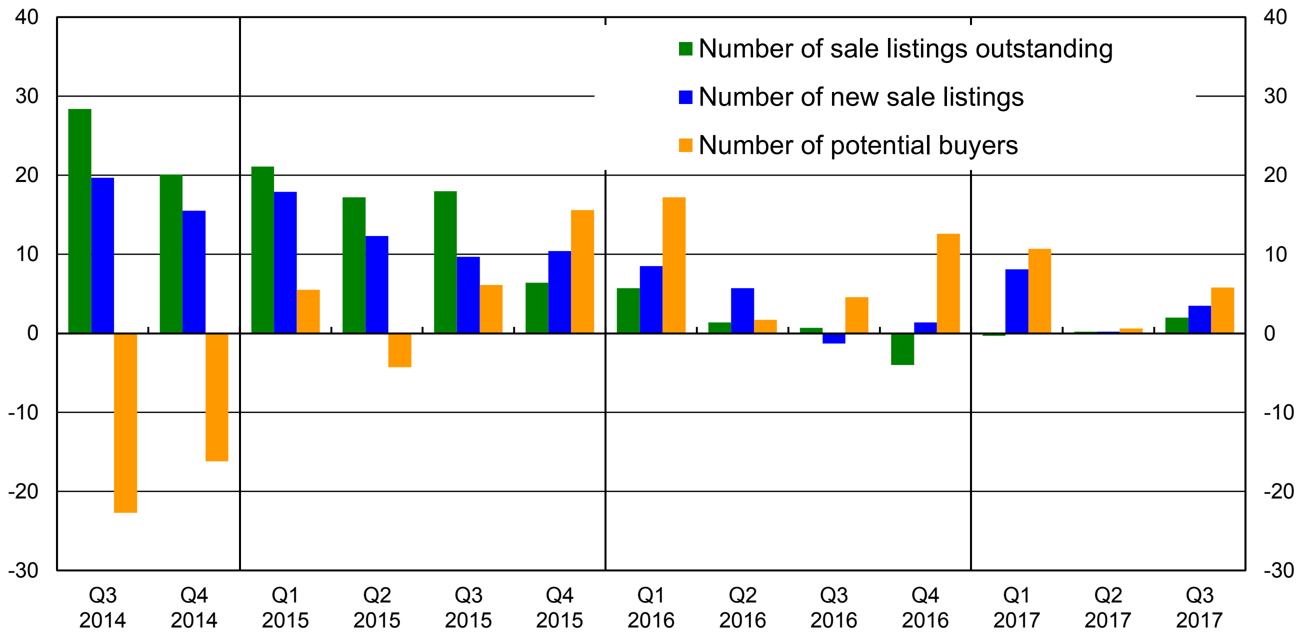


Figure 4

Conditions on real estate agent's market in current quarter
(balance of favourable and unfavourable ratings)

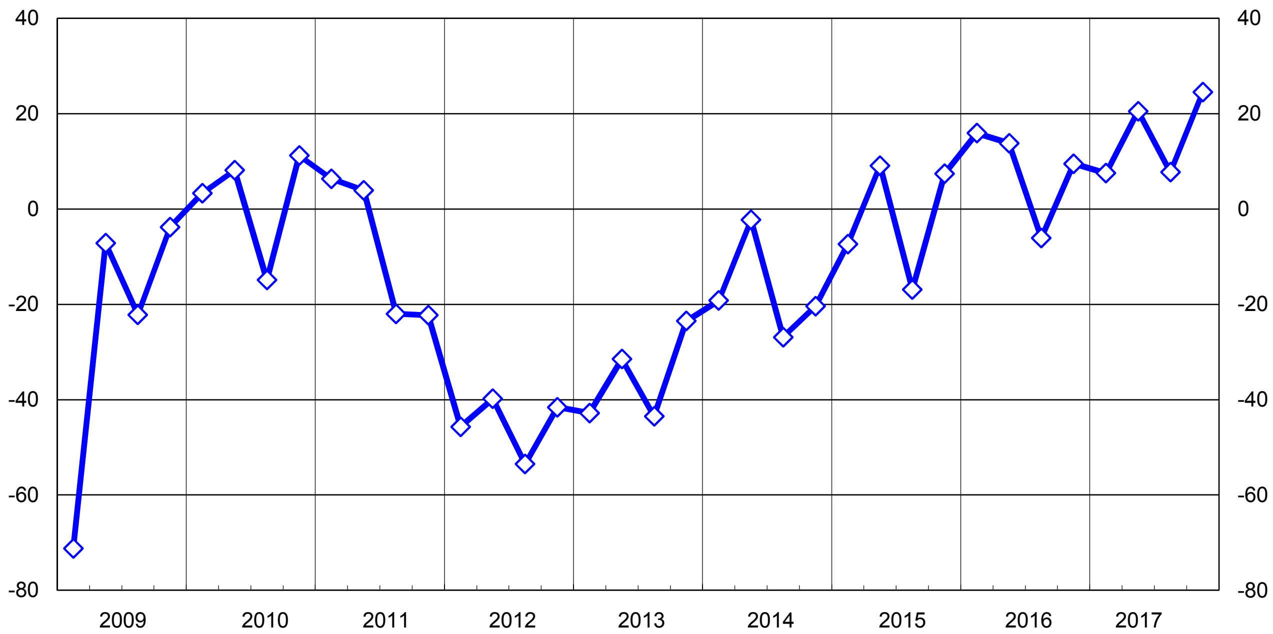
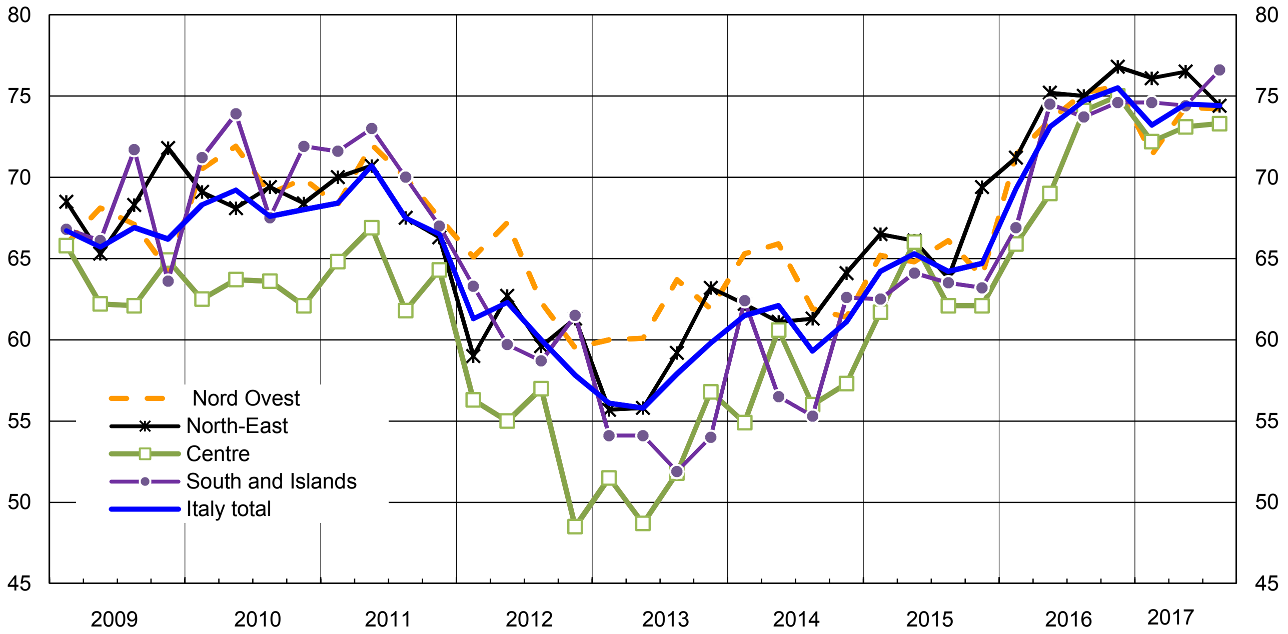


Figure 5

Loan-to-value ratio of the property according to agents' opinions
(per cent)



Tab. 1

Property selling prices (1)
(per cent of real-estate agents; reference quarter: July-September 2017)

	Comparison with previous period		
	decreasing	stable	increasing
By geographical area			
North-West	25.2	71.1	3.7
of which: urban areas (2)	16.9	77.4	5.6
non-urban areas	33.0	65.1	1.9
North-East	21.9	75.2	3.0
of which: urban areas (2)	14.8	83.7	1.5
non-urban areas	24.0	72.6	3.4
Centre	26.2	70.4	3.3
of which: urban areas (2)	24.4	70.9	4.7
non-urban areas	27.6	70.1	2.3
South & Islands	27.3	71.3	1.4
of which: urban areas (2)	22.9	73.7	3.4
non-urban areas	28.7	70.5	0.8
By resident population			
Urban areas (>250,000 inhabit.) (2)	19.4	76.1	4.5
Non-urban areas (≤250,000 inhabit.)	28.4	69.4	2.2
Metropolitan areas (>500,000 inhabit.) (3)	20.6	74.3	5.1
Non-metropolitan areas (≤500,000 inhabit.)	26.7	71.0	2.3
Total	**25.0**	**71.9**	**3.1**
Memorandum item:			
Q2 2017	30.8	66.4	2.8
Q1 2017	34.1	62.8	3.1
Q4 2016	27.6	69.8	2.7
Q3 2016	34.6	64.0	1.4

(1) Replies from the agencies that declared sales in the reference quarter. – (2) Towns with a resident population of over 250,000, including not only the administrative area of the main town but also the hinterland as identified by the local labour system. The urban areas are Turin, Genoa and Milan for the North-West; Padua, Verona, Venice, Trieste and Bologna for the North-East; Florence and Rome for the Centre; Naples, Bari, Catania, Messina and Palermo for the South and Islands. – (3) Cities or large towns with a resident population of over 500,000, including not only the administrative area of the main city or town but also the hinterland as identified by the local labour system. The metropolitan areas are Turin, Genoa, Milan, Rome, Naples and Palermo.

House sales in the reference quarter

(per cent of real-estate agents; reference quarter: July-September 2017)

	Percentage of real-estate agents that sold homes	*of which:* only new builds	*of which:* only pre-owned	*of which:* new and pre-owned
By geographical area				
North-West	74.8	0.8	57.2	16.9
of which: urban areas (1)	72.1	1.5	54.4	16.3
non-urban areas	77.4	.	60.0	17.5
North-East	78.9	1.7	52.2	25.0
of which: urban areas (1)	83.1	4.1	51.7	27.3
non-urban areas	77.7	1.0	52.3	24.4
Centre	71.0	1.4	57.1	12.6
of which: urban areas (1)	67.3	2.1	54.8	10.5
non-urban areas	74.2	0.8	59.1	14.3
South & Islands	76.9	3.3	56.1	17.4
of which: urban areas (1)	72.7	0.8	58.5	13.4
non-urban areas	78.4	4.2	55.3	18.9
By resident population				
Urban areas (>250,000 inhabit.) (1)	72.1	1.9	54.6	15.6
Non-urban areas (≤250,000 inhabit.)	77.0	1.3	56.7	19.0
Metropolitan areas (>500,000 inhabit.) (2)	68.6	1.8	53.0	13.7
Non-metropolitan areas (≤500,000 inhabit.)	77.9	1.4	57.1	19.3
Total	**75.1**	**1.6**	**55.9**	**17.6**
Memorandum item:				
Q2 2017	80.6	2.0	58.6	20.1
Q1 2017	76.1	2.2	60.1	18.3
Q4 2016	80.6	2.6	55.5	14.8
Q3 2016	72.9	3.3	56.5	11.5

(1) Towns with a resident population of over 250,000, including not only the administrative area of the main town but also the hinterland as identified by the local labour system. The urban areas are Turin, Genoa and Milan for the North-West; Padua, Verona, Venice, Trieste and Bologna for the North-East; Florence and Rome for the Centre; Naples, Bari, Catania, Messina and Palermo for the South and Islands. – (2) Cities or large towns with a resident population of over 500,000, including not only the administrative area of the main city or town but also the hinterland as identified by the local labour system. The metropolitan areas are Turin, Genoa, Milan, Rome, Naples and Palermo.

Tab. 3

Mandates to sell and potential buyers

(per cent of real-estate agents; reference quarter: July-September 2017)

	Number of mandates outstanding at end of quarter compared with previous quarter			Number of new mandates received in the quarter compared with previous quarter			Number of potential buyers in the quarter compared with previous quarter		
	lower	same	higher	lower	same	higher	lower	same	higher
By geographical area									
North-West	18.4	64.8	16.8	21.2	58.5	20.2	19.3	54.8	25.8
of which: urban areas (1)	21.4	64.0	14.6	25.0	58.3	16.6	18.8	56.8	24.3
non-urban areas	15.4	65.6	19.0	17.3	58.8	23.9	19.8	52.8	27.4
North-East	14.8	65.4	19.8	17.1	56.5	26.4	17.1	56.1	26.7
of which: urban areas (1)	17.8	67.7	14.5	23.1	61.9	15.0	22.4	55.4	22.3
non-urban areas	13.9	64.7	21.4	15.3	55.0	29.7	15.6	56.4	28.0
Centre	19.1	59.2	21.6	19.6	57.7	22.7	23.5	50.5	26.0
of which: urban areas (1)	23.4	65.0	11.7	24.2	59.8	16.0	27.5	46.6	25.8
non-urban areas	15.5	54.4	30.1	15.7	55.8	28.4	20.0	53.9	26.1
South & Islands	15.8	63.3	20.9	19.7	54.1	26.2	18.2	59.0	22.8
of which: urban areas (1)	16.7	65.1	18.3	24.3	57.4	18.2	14.0	62.3	23.6
non-urban areas	15.4	62.7	21.8	17.9	52.9	29.1	19.7	57.8	22.5
By resident population									
Urban areas (>250,000 inhabit.) (1)	21.0	64.9	14.1	24.5	59.1	16.4	21.3	54.2	24.4
Non-urban areas (≤250,000 inhabit.)	15.0	62.2	22.8	16.5	55.9	27.6	18.7	55.1	26.3
Metropolitan areas (>500,000 inhabit.) (2)	22.4	63.5	14.1	25.3	58.7	16.1	21.7	54.0	24.4
Non-metropolitan areas (≤500,000 inhabit.)	15.2	63.1	21.7	17.2	56.5	26.3	18.9	55.1	26.1
Total	**17.4**	**63.2**	**19.4**	**19.7**	**57.1**	**23.2**	**19.7**	**54.7**	**25.5**
Memorandum item:									
Q2 2017	17.2	65.4	17.4	20.3	59.2	20.5	21.0	57.4	21.6
Q1 2017	18.7	62.8	18.4	16.2	59.5	24.3	16.8	55.7	27.5
Q4 2016	18.0	67.9	14.0	16.1	66.3	17.5	13.1	61.2	25.7
Q3 2016	18.0	63.3	18.7	19.7	61.9	18.4	19.3	56.8	23.9

(1) Towns with a resident population of over 250,000, including not only the administrative area of the main town but also the hinterland as identified by the local labour system. The urban areas are Turin, Genoa and Milan for the North-West; Padua, Verona, Venice, Trieste and Bologna for the North-East; Florence and Rome for the Centre; Naples, Bari, Catania, Messina and Palermo for the South and Islands. – (2) Cities or large towns with a resident population of over 500,000, including not only the administrative area of the main city or town but also the hinterland as identified by the local labour system. The metropolitan areas are Turin, Genoa, Milan, Rome, Naples and Palermo.

Main reasons for cancelling mandate with agent (1)

(per cent of real-estate agents; reference quarter: July-September 2017)

	Offers received too low for seller	Expecting prices to rise	No offers owing to high price	Property on market for too long	Difficulty obtaining mortgage	Unexpected problems for seller	Other
By geographical area							
North-West	50.2	25.9	38.8	15.0	21.7	2.1	2.6
of which: urban areas (2)	50.5	27.6	37.1	13.1	19.9	2.3	3.4
non-urban areas	49.8	24.2	40.5	17.0	23.6	1.9	1.8
North-East	44.5	25.7	40.9	17.6	22.5	2.5	3.7
of which: urban areas (2)	58.6	19.3	39.0	18.3	23.3	2.5	1.0
non-urban areas	40.3	27.6	41.4	17.4	22.3	2.5	4.5
Centre	46.7	27.7	34.1	21.2	17.8	3.6	3.4
of which: urban areas (2)	47.8	29.6	29.3	18.4	13.5	4.8	3.2
non-urban areas	45.7	26.2	38.1	23.6	21.4	2.7	3.5
South & Islands	41.9	28.8	37.6	16.0	30.1	1.7	1.7
of which: urban areas (2)	50.1	24.9	42.2	9.5	22.2	0.7	2.3
non-urban areas	38.7	30.3	35.8	18.4	33.2	2.0	1.5
By resident population							
Urban areas (>250,000 inhabit.) (2)	50.7	26.8	35.5	15.0	18.6	2.9	2.9
Non-urban areas (≤250,000 inhabit.)	44.0	26.8	39.3	18.9	24.6	2.3	2.9
Metropolitan areas (>500,000 inhabit.) (3)	51.0	28.2	35.0	14.7	17.6	2.7	3.7
Non-metropolitan areas (≤500,000 inhabit.)	44.8	26.2	39.1	18.5	24.3	2.4	2.6
Total	**46.7**	**26.8**	**37.8**	**17.4**	**22.3**	**2.5**	**2.9**
Memorandum item:							
Q2 2017	34.1	32.9	46.6	17.7	20.7	2.7	5.9
Q1 2017	42.4	20.4	44.3	15.3	24.0	3.5	10.9
Q4 2016	46.4	26.2	66.0	23.0	25.5	2.4	2.8
Q3 2016	55.3	20.4	52.7	20.2	21.7	3.5	4.3

(1) Since each agent can list up to three reasons for the removal of properties from their books the percentages on each line may sum to more than 100. – (2) Towns with a resident population of over 250,000, including not only the administrative area of the main town but also the hinterland as identified by the local labour system. The urban areas are Turin, Genoa and Milan for the North-West; Padua, Verona, Venice, Trieste and Bologna for the North-East; Florence and Rome for the Centre; Naples, Bari, Catania, Messina and Palermo for the South and Islands. – (3) Cities or large towns with a resident population of over 500,000, including not only the administrative area of the main city or town but also the hinterland as identified by the local labour system. The metropolitan areas are Turin, Genoa, Milan, Rome, Naples and Palermo.

Final price paid in relation to seller's initial asking price (1)
(per cent of real-estate agents unless otherwise indicated; reference quarter: July-September 2017)

	More than 30% below	20-30% below	10-20% below	5-10% below	Less than 5% below	The same or more	Total	Average reduction (2)
By geographical area								
North-West	1.3	8.6	30.3	32.1	19.7	7.9	100.0	10.1
of which: urban areas (3)	0.7	8.8	24.0	39.5	20.0	6.9	100.0	9.5
non-urban areas	1.9	8.3	36.2	25.2	19.5	8.9	100.0	10.6
North-East	2.4	7.6	21.1	36.1	23.7	9.1	100.0	9.2
of which: urban areas (3)	1.5	7.4	9.9	40.3	26.5	14.3	100.0	7.6
non-urban areas	2.6	7.7	24.5	34.8	22.8	7.5	100.0	9.7
Centre	2.5	8.3	30.0	31.8	22.0	5.5	100.0	10.4
of which: urban areas (3)	.	5.7	33.1	28.2	26.7	6.3	100.0	9.2
non-urban areas	4.4	10.4	27.5	34.7	18.2	4.8	100.0	11.3
South & Islands	2.1	15.8	30.3	28.4	19.6	3.8	100.0	11.8
of which: urban areas (3)	0.9	17.4	24.8	32.5	22.7	1.8	100.0	11.4
non-urban areas	2.5	15.2	32.3	26.9	18.5	4.5	100.0	12.0
By resident population								
Urban areas (>250,000 inhabit.) (3)	0.6	8.7	24.6	35.6	23.1	7.2	100.0	9.3
Non-urban areas (≤250,000 inhabit.)	2.8	9.9	30.2	30.4	20.0	6.8	100.0	10.8
Metropolitan areas (>500,000 inhabit.) (4)	0.6	7.7	27.2	36.6	21.6	6.3	100.0	9.5
Non-metropolitan areas (≤500,000 inhabit.)	2.5	10.1	28.4	30.7	21.0	7.2	100.0	10.5
Total	**2.0**	**9.5**	**28.1**	**32.4**	**21.2**	**6.9**		**10.2**
Memorandum item:								
Q2 2017	3.4	9.6	41.9	32.6	6.7	5.7	100.0	12.5
Q1 2017	3.3	12.8	36.7	30.5	10.7	6.0	100.0	12.4
Q4 2016	3.2	8.3	38.2	32.4	12.0	6.0	100.0	11.6
Q3 2016	4.3	15.0	36.1	27.2	10.6	6.8	100.0	13.0

(1) Replies from the agencies that declared sales in the reference quarter. – (2) Estimates weighted with the number of house sales declared by the respondents. – (3) Towns with a resident population of over 250,000, including not only the administrative area of the main town but also the hinterland as identified by the local labour system. The urban areas are Turin, Genoa and Milan for the North-West; Padua, Verona, Venice, Trieste and Bologna for the North-East; Florence and Rome for the Centre; Naples, Bari, Catania, Messina and Palermo for the South and Islands. – (4) Cities or large towns with a resident population of over 500,000, including not only the administrative area of the main city or town but also the hinterland as identified by the local labour system. The metropolitan areas are Turin, Genoa, Milan, Rome, Naples and Palermo.

Selling times and mortgage loans (1)

(months; per cent; reference quarter: July-September 2017)

	Time from start of mandate to sale *(months)*	Percentage of purchases financed with a mortgage loan (2)	Loan-to-value ratio of the property
By geographical area			
North-West	7.4	79.9	74.2
of which: urban areas (3)	5.8	80.0	74.0
non-urban areas	8.8	79.9	74.4
North-East	7.6	79.5	74.4
of which: urban areas (3)	7.1	79.9	71.8
non-urban areas	7.8	79.4	75.2
Centre	7.3	75.7	73.3
of which: urban areas (3)	6.1	77.5	71.5
non-urban areas	8.1	74.4	74.6
South & Islands	8.0	79.2	76.6
of which: urban areas (3)	5.8	80.9	72.4
non-urban areas	8.7	78.6	78.3
By resident population			
Urban areas (>250,000 inhabit.) (3)	6.1	79.5	72.8
Non-urban areas (≤250,000 inhabit.)	8.4	78.5	75.4
Metropolitan areas (>500,000 inhabit.) (4)	5.8	79.0	73.3
Non-metropolitan areas (≤500,000 inhabit.)	8.2	78.8	74.9
Total	**7.5**	**78.8**	**74.4**
Memorandum item:			
Q2 2017	7.7	78.9	74.5
Q1 2017	7.3	80.6	73.2
Q4 2016	7.7	79.5	75.5
Q3 2016	8.9	80.2	74.7

(1) Replies from the agencies that declared sales in the reference quarter. – (2) Estimates weighted with the number of house sales declared by the respondents. – (3) Towns with a resident population of over 250,000, including not only the administrative area of the main town but also the hinterland as identified by the local labour system. The urban areas are Turin, Genoa and Milan for the North-West; Padua, Verona, Venice, Trieste and Bologna for the North-East; Florence and Rome for the Centre; Naples, Bari, Catania, Messina and Palermo for the South and Islands. – (4) Cities or large towns with a resident population of over 500,000, including not only the administrative area of the main city or town but also the hinterland as identified by the local labour system. The metropolitan areas are Turin, Genoa, Milan, Rome, Naples and Palermo.

Assessments of rental prices

(per cent of real-estate agents; reference quarter: July-September 2017; current quarter: October-December 2017)

	Percentage of agencies that rented a property in the reference quarter	Rental prices in the reference quarter compared with the previous period (1)			Expected level of rental prices in the current quarter compared with the previous period (1)		
		falling	stable	rising	falling	stable	rising
By geographical area							
North-West	84.8	15.4	76.0	8.6	4.5	88.8	6.7
of which: urban areas (2)	81.7	12.1	75.8	12.0	4.2	85.5	10.3
non-urban areas	88.4	18.9	76.1	5.0	4.8	92.3	3.0
North-East	86.6	13.4	78.5	8.1	4.0	90.1	5.8
of which: urban areas (2)	83.9	9.3	71.1	19.6	4.5	81.3	14.3
non-urban areas	87.5	14.6	80.7	4.7	3.9	92.8	3.3
Centre	82.5	21.3	72.2	6.5	11.9	81.7	6.3
of which: urban areas (2)	81.9	29.9	60.1	9.9	17.0	76.7	6.3
non-urban areas	83.1	12.8	84.1	3.1	6.9	86.8	6.3
South & Islands	79.5	20.7	71.5	7.8	12.1	79.6	8.3
of which: urban areas (2)	85.0	14.7	75.6	9.6	7.6	85.1	7.3
non-urban areas	77.3	23.4	69.6	7.0	14.1	77.1	8.8
By resident population							
Urban areas (>250,000 inhabit.) (2)	82.4	17.4	70.4	12.1	8.5	82.2	9.3
Non-urban areas (≤250,000 inhabit.)	84.8	17.1	78.1	4.9	6.6	88.6	4.8
Metropolitan areas (>500,000 inhabit.) (3)	82.0	20.0	70.1	9.9	9.9	81.9	8.2
Non-metropolitan areas (≤500,000 inhabit.)	84.7	15.9	77.2	6.9	6.2	87.8	5.9
Total	**83.8**	**17.2**	**74.9**	**7.8**	**7.4**	**86.0**	**6.7**
Memorandum item:							
Q2 2017	83.0	19.1	74.0	7.0	7.2	81.7	11.1
Q1 2017	81.2	20.5	73.8	5.7	10.7	84.1	5.2
Q4 2016	83.2	15.7	81.1	3.2	8.2	88.8	3.0
Q3 2016	77.9	19.7	74.7	5.6	11.3	86.1	2.6

(1) Replies from the agencies that rented property in the reference quarter. – (2) Towns with a resident population of over 250,000, including not only the administrative area of the main town but also the hinterland as identified by the local labour system. The urban areas are Turin, Genoa and Milan for the North-West; Padua, Verona, Venice, Trieste and Bologna for the North-East; Florence and Rome for the Centre; Naples, Bari, Catania, Messina and Palermo for the South and Islands. – (3) Cities or large towns with a resident population of over 500,000, including not only the administrative area of the main city or town but also the hinterland as identified by the local labour system. The metropolitan areas are Turin, Genoa, Milan, Rome, Naples and Palermo.

Mandates to let and average reduction on rental price requested
(per cent of real-estate agents; reference quarter: July-September 2017)

	Number of new mandates to let received in the quarter compared with previous quarter			Average reduction on rental price originally asked by owner
	lower	same	higher	
By geographical area				
North-West	24.5	64.5	11.0	2.9
of which: urban areas (1)	25.8	59.8	14.4	2.3
non-urban areas	23.2	69.3	7.5	3.4
North-East	27.4	62.4	10.2	2.4
of which: urban areas (1)	38.1	50.4	11.5	1.8
non-urban areas	24.2	65.9	9.9	2.6
Centre	25.6	61.8	12.6	3.9
of which: urban areas (1)	27.4	59.9	12.7	4.6
non-urban areas	24.1	63.5	12.4	3.2
South & Islands	27.6	60.7	11.7	4.6
of which: urban areas (1)	34.5	48.2	17.3	4.5
non-urban areas	25.1	65.2	9.6	4.6
By resident population				
Urban areas (>250,000 inhabit.) (1)	28.8	57.4	13.8	3.2
Non-urban areas (≤250,000 inhabit.)	24.1	66.2	9.7	3.3
Metropolitan areas (>500,000 inhabit.) (2)	28.4	58.0	13.7	3.5
Non-metropolitan areas (≤500,000 inhabit.)	24.9	64.8	10.3	3.2
Total	25.9	62.7	11.3	3.3
Memorandum item:				
Q2 2017	30.2	57.6	12.2	3.6
Q1 2017	25.2	65.0	9.8	5.0
Q4 2016	16.9	73.9	9.2	5.2
Q3 2016	23.8	65.2	10.9	5.8

(1) Towns with a resident population of over 250,000, including not only the administrative area of the main town but also the hinterland as identified by the local labour system. The urban areas are Turin, Genoa and Milan for the North-West; Padua, Verona, Venice, Trieste and Bologna for the North-East; Florence and Rome for the Centre; Naples, Bari, Catania, Messina and Palermo for the South and Islands. – (2) Cities or large towns with a resident population of over 500,000, including not only the administrative area of the main city or town but also the hinterland as identified by the local labour system. The metropolitan areas are Turin, Genoa, Milan, Rome, Naples and Palermo.

Outlook for the housing market

(per cent of real-estate agents; reference quarter: July-September 2017; current quarter: October-December 2017)

	Conditions on real-estate agent's market in current quarter			Expected number of newly registered properties in current quarter compared with reference quarter			Expected level of prices in current quarter compared with reference quarter		
	poor	normal	good	lower	same	higher	lower	same	higher
By geographical area									
North-West	6.8	55.3	37.9	9.2	52.5	38.3	18.9	75.1	6.0
of which: urban areas (1)	5.8	51.1	43.1	11.0	48.7	40.3	15.3	76.8	7.9
non-urban areas	7.8	59.5	32.7	7.3	56.4	36.3	22.6	73.3	4.1
North-East	9.1	61.3	29.7	5.8	66.3	27.9	23.5	72.0	4.5
of which: urban areas (1)	5.4	61.9	32.8	4.5	64.6	30.9	11.6	81.4	7.0
non-urban areas	10.1	61.1	28.7	6.2	66.8	27.0	27.0	69.3	3.7
Centre	9.7	60.2	30.1	8.3	52.2	39.6	21.6	70.2	8.3
of which: urban areas (1)	6.2	57.7	36.0	9.8	45.8	44.5	19.7	72.3	8.0
non-urban areas	12.8	62.4	24.8	6.9	57.7	35.4	23.2	68.3	8.5
South & Islands	7.5	62.8	29.8	5.8	58.1	36.2	20.9	72.4	6.7
of which: urban areas (1)	5.7	63.4	30.9	2.4	57.8	39.7	15.6	75.5	8.9
non-urban areas	8.1	62.5	29.4	7.0	58.1	34.9	22.8	71.3	5.9
By resident population									
Urban areas (>250,000 inhabit.) (1)	5.9	55.9	38.3	8.8	50.9	40.3	16.2	75.9	7.9
Non-urban areas (≤250,000 inhabit.)	9.6	61.2	29.1	6.9	59.9	33.2	24.0	70.7	5.3
Metropolitan areas (>500,000 inhabit.) (2)	6.7	53.9	39.5	10.1	48.2	41.7	17.7	74.6	7.7
Non-metropolitan areas (≤500,000 inhabit.)	8.8	61.4	29.8	6.6	59.9	33.6	22.3	71.9	5.8
Total	**8.2**	**59.1**	**32.7**	**7.6**	**56.4**	**36.0**	**20.9**	**72.7**	**6.4**
Memorandum item:									
Q2 2017	14.5	63.3	22.2	13.5	62.7	23.8	23.8	72.8	3.4
Q1 2017	7.4	64.7	27.9	7.3	63.9	28.8	28.0	68.6	3.4
Q4 2016	9.4	73.6	16.9	13.2	69.6	17.2	23.8	73.1	3.1
Q3 2016	12.9	64.7	22.4	9.2	65.7	25.1	30.5	67.6	1.9

(1) Towns with a resident population of over 250,000, including not only the administrative area of the main town but also the hinterland as identified by the local labour system. The urban areas are Turin, Genoa and Milan for the North-West; Padua, Verona, Venice, Trieste and Bologna for the North-East; Florence and Rome for the Centre; Naples, Bari, Catania, Messina and Palermo for the South and Islands. – (2) Cities or large towns with a resident population of over 500,000, including not only the administrative area of the main city or town but also the hinterland as identified by the local labour system. The metropolitan areas are Turin, Genoa, Milan, Rome, Naples and Palermo.

General situation of the housing market in Italy

(percent of real-estate agents; reference quarter: July-September 2017; current quarter: October-December 2017)

	Outlook for current quarter compared with reference quarter			Outlook for next two years compared with reference quarter		
	worse	same	better	worse	same	better
By geographical area						
North-West	6.4	61.6	31.9	4.0	38.3	57.6
of which: urban areas (1)	7.5	59.5	32.9	5.0	35.9	59.1
non-urban areas	5.3	63.8	31.0	3.1	40.8	56.1
North-East	10.5	63.7	25.8	8.5	42.1	49.5
of which: urban areas (1)	8.3	62.9	28.8	8.8	39.9	51.3
non-urban areas	11.1	64.0	24.9	8.4	42.7	48.9
Centre	7.6	62.0	30.5	6.3	39.1	54.6
of which: urban areas (1)	7.8	62.4	29.8	5.9	40.3	53.8
non-urban areas	7.3	61.6	31.1	6.7	38.1	55.2
South & Islands	6.6	62.0	31.3	5.8	38.2	55.9
of which: urban areas (1)	7.6	55.8	36.5	6.8	31.3	61.9
non-urban areas	6.3	64.3	29.4	5.5	40.7	53.8
By resident population						
Urban areas (>250,000 inhabit.) (1)	7.7	60.4	31.9	5.9	37.2	56.9
Non-urban areas (≤250,000 inhabit.)	7.5	63.5	29.0	5.8	40.7	53.4
Metropolitan areas (>500,000 inhabit.) (2)	8.1	60.2	31.6	5.8	36.0	58.2
Non-metropolitan areas (≤500,000 inhabit.)	7.4	63.1	29.5	5.9	40.8	53.3
Total	**7.6**	**62.3**	**30.1**	**5.9**	**39.3**	**54.8**
Memorandum item:						
Q2 2017	13.1	69.9	17.0	8.0	40.7	51.3
Q1 2017	9.4	64.5	26.0	10.7	40.9	48.4
Q4 2016	10.4	62.2	27.4	8.4	48.0	43.6
Q3 2016	14.1	63.7	22.2	11.6	41.5	46.9

(1) Towns with a resident population of over 250,000, including not only the administrative area of the main town but also the hinterland as identified by the local labour system. The urban areas are Turin, Genoa and Milan for the North-West; Padua, Verona, Venice, Trieste and Bologna for the North-East; Florence and Rome for the Centre; Naples, Bari, Catania, Messina and Palermo for the South and Islands. – (2) Cities or large towns with a resident population of over 500,000, including not only the administrative area of the main city or town but also the hinterland as identified by the local labour system. The metropolitan areas are Turin, Genoa, Milan, Rome, Naples and Palermo.

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