

REAL ESTATE

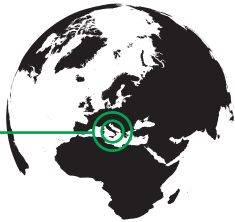
Italian Scenario

#VISUALIZINGTHECRISIS #IreneChiappini #GiuliaSerafin

EUROPE

Italy

41°54'N 12°29'E
total area: 301,338 km²
population: 60,795,612
capital: Rome



BULLETIN 07

15 04 16 / 21 04 16

sources: Il Sole 24 Ore "Casa, il mercato cerca il riscatto tra mutui e tasse" - "Casa, meglio comprare con un mutuo o con il nuovo leasing agevolato?" - "Nuovi mutui in Italia: aggiornamento giornaliero" - Wikipedia - Numbeo

NEW DAILY MORTGAGES PER REGION (22/04/2016)



SOME DATA ABOUT CITIES

MILAN

- 1,251 milions
- € 1,722.56
- € 763.89
- € 292.28

FLORENCE

- 361,679
- € 1,464.58
- € 392.84
- € 258.27

ROME

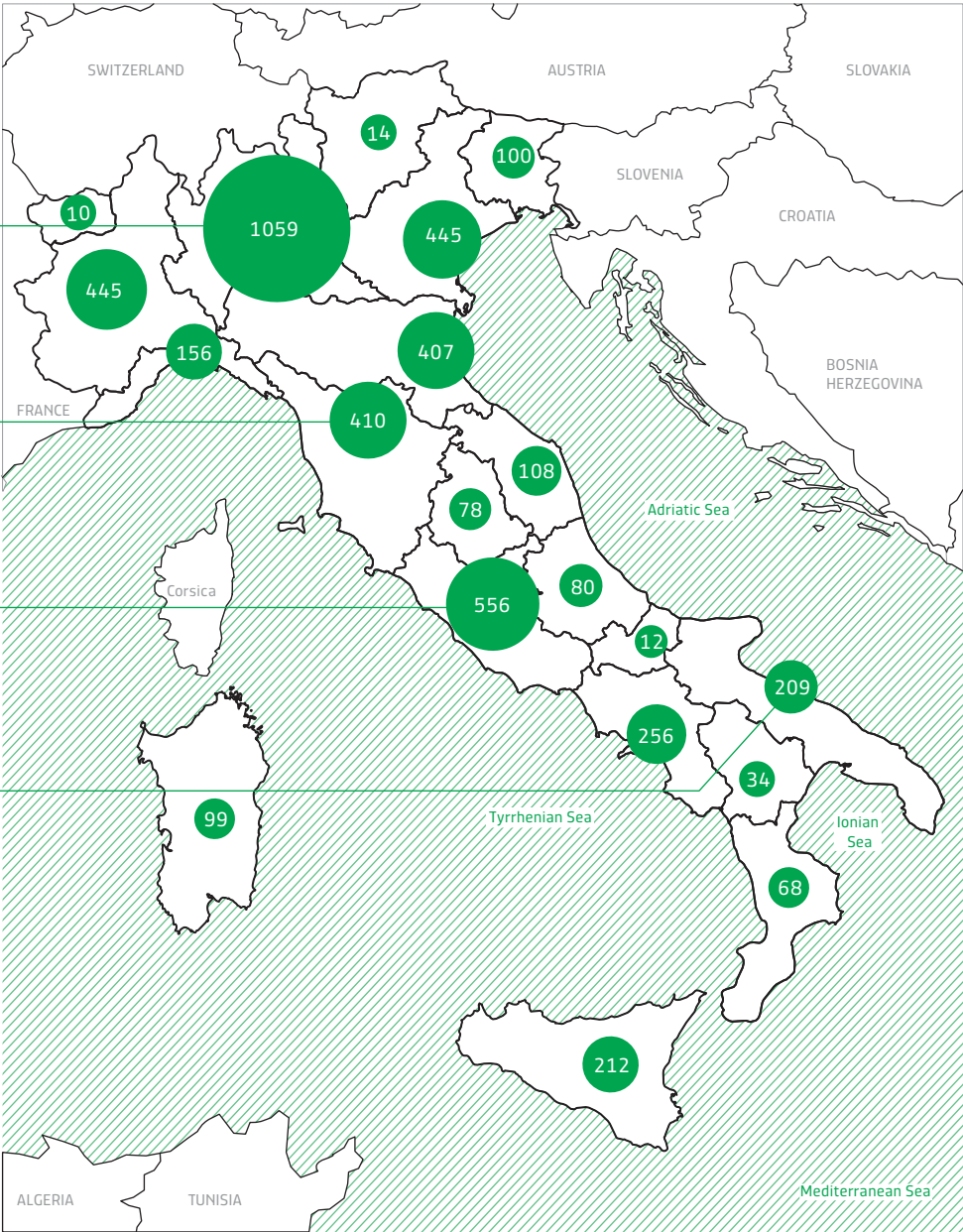
- 2,627 milions
- € 1,576.40
- € 836.91
- € 378.47

BARI

- 314,311
- € 1,050.00
- € 261.98
- € 204.38

Symbols

- Population
- Average Monthly Salary
- City Centre (€/sq feet)
- Outside Centre (€/sq feet)



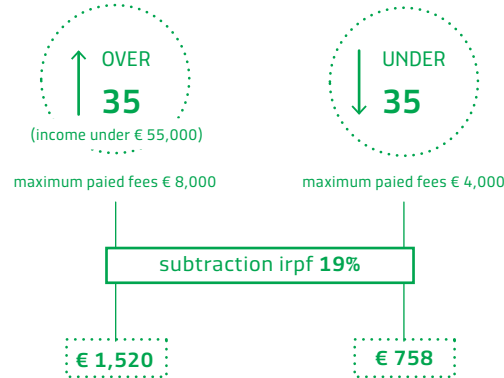
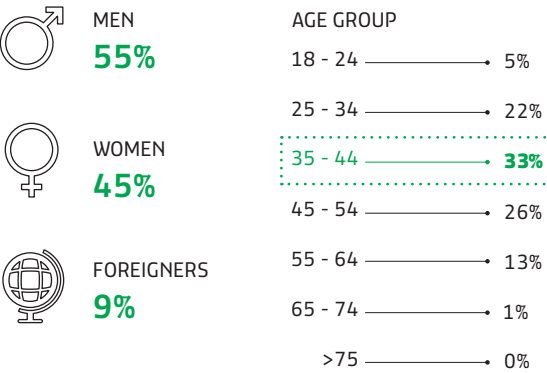
MORTGAGES IN ITALY

2016 → +10% Growth of deed than 2013

Bank loans for family properties → -3.5% than 2006





NEW ITALIAN BORROWERS



MORTGAGE vs. LEASING: A COMPARISON

MORTGAGE


In the last year mortgages increased +97% in Italy.



HOW DOES IT WORK


1. the bank accept to give a mortgage
2. the customer receives the full amount of money from the bank to buy a property
3. the customer buys the property and becomes immediately its owner
4. the customer can return loan with rates for a maximum of 30 years

FEATURES




Low tax

1.5% / 2.5%




Settlement

balance in advance



Banks are allowed to distraint the property after **18 unpaid rates**



Does not permit the possession of the property with a liquid under **80% property value**

Tax exemption **19%** on interests of the rates



example:

rate
€ 6,000
interests
€ 2,000
amount
€ 4,000



LEASING


From January 2016 the lease was extended not only to industry but also to individuals for the purchase of properties, so leasing became an alternative to mortgages.




HOW DOES IT WORK

1. the bank accept to give a leasing
2. the bank buys a property on real estate market (so the bank has the ownership)
3. the customer pays the full amount of the property to the bank with rates for a maximum of 20 years
4. the change of ownership comes with the last ransom money

FEATURES




High tax




Settlement

balance only after the last payment of rates



Banks are allowed to distraint the property after **1 unpaid rate**



Permit the possession of the property with a slow liquid, **10% property value**

Tax exemption **19%** in full amount

example:

rate
€ 6,000
interests
€ 2,000
amount
€ 4,000



REAL ESTATE

US Builders' World

#VISUALIZINGTHECRISIS #IreneChiappini #GiuliaSerafin

AMERICA

United States

38°53'N 77°01'W
total area: 9,857,306 km²
population: 322,369,319
capital: Washington, D.C.



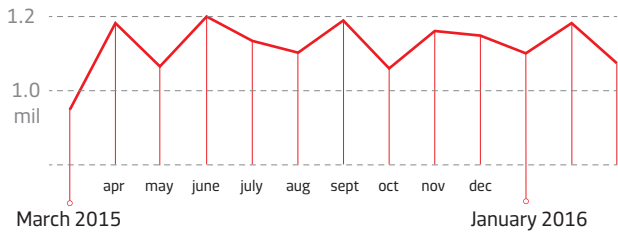
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sources: World Property Journal "US builder confidence holds firm in April says NAHB index", Eye on Housing "Housing starts fall back to trend", "Builder confidence unchanged in April", CNBC "Homebuilder blues : Don't blame labor shortage".

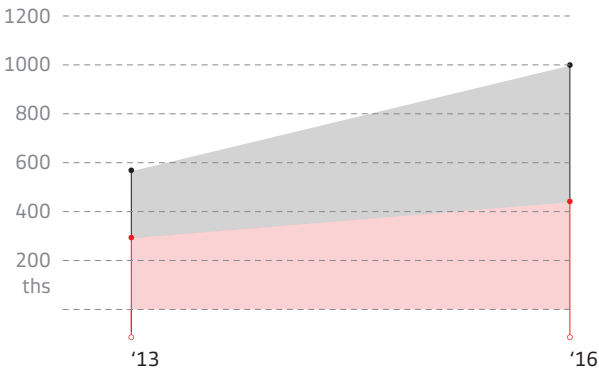
CONSTRUCTION SECTOR

Some data to understand housing market and homebuilders situation in US



US housing starts

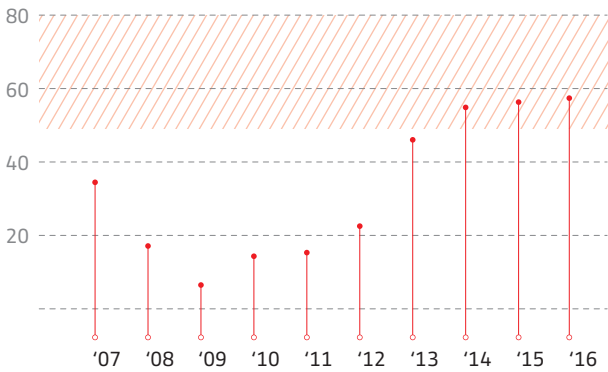
New residential housing units authorized by building permits and started in the last year (from March '15 to March '16).



Units under construction

Construction's trend in the last 4 years about the two main typologies of houses.

- single-family houses
- multifamily houses



Homebuilders sentiments

NAHB (National Association of Home Builders) makes a monthly survey asking builders about their perception of current and future home sales and to rate traffic of prospective buyers.

From these data they make a seasonally index in which all values >50 mean good conditions for builders.

WHAT'S GOING ON?

There is a monthly drop in housing starts that masks the long-run growing trend which remains in place.

There has been a 9.2% decline in single-family house starts in March 2016.

Home construction weakened in March but homebuilder sentiment hasn't changed.

Builders confidence in the market for new single-family house remained unchanged in the last 3 months:

58

STRENGTH

the factors that make builders optimistic

new job creation: there is a healthy level of it at the moment in US

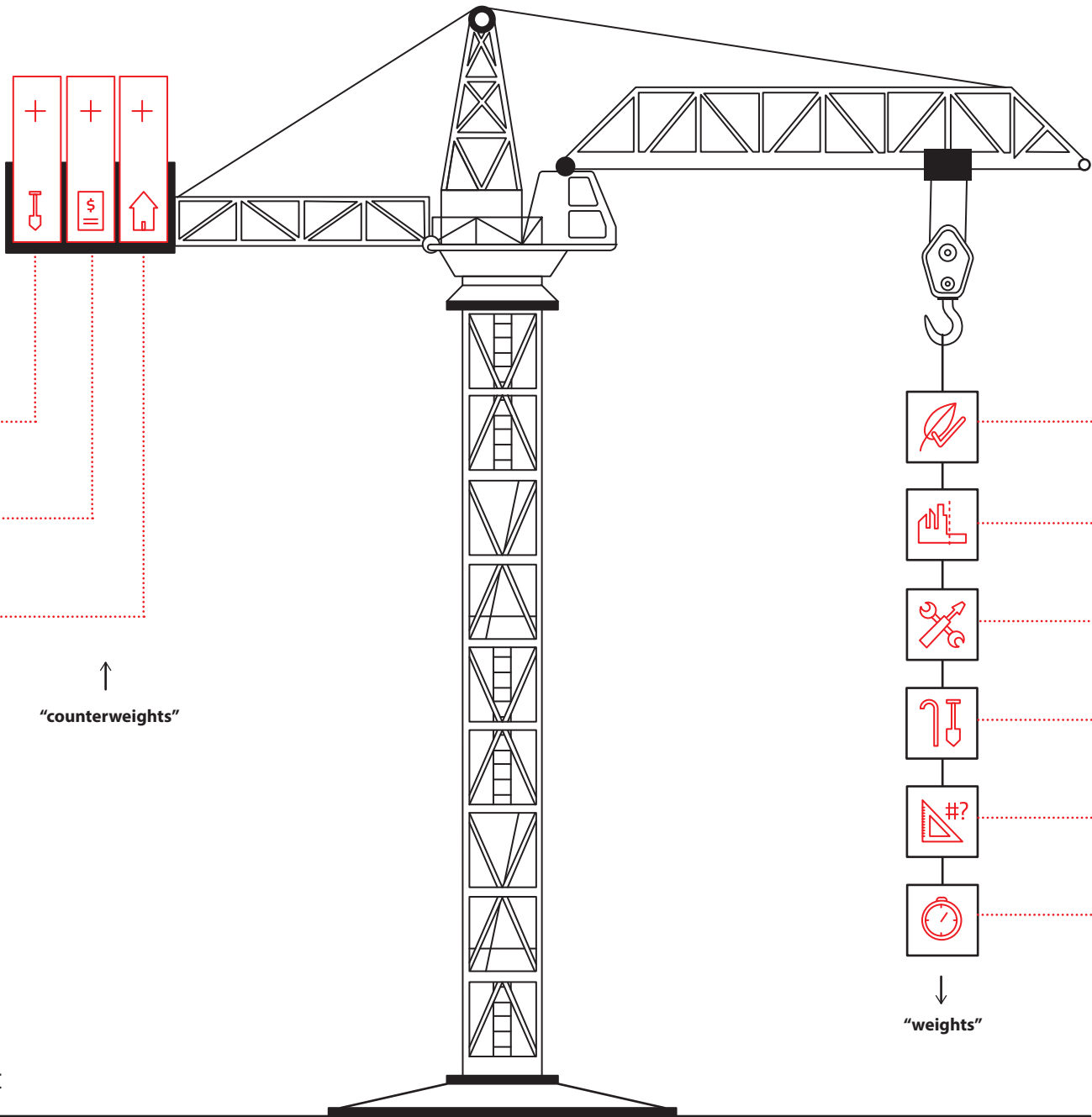
low mortgages interest rates: it allows more people to buy a new home

lack of home inventory: it means more housing starts

These factors make builders feel **optimistic**, as the NAHB data show.

WHAT DOES IT MEAN?
All these points will support increased construction of single-family homes.

US is in the heart of an historically strong spring housing market



WEAKNESS

new construction costs that didn't exist 10 years ago

environment-protection regulations: they make difficult to build affordable homes

shortage of buildable lots: while demand persists for land closest to urban areas

labor crunch: there is a lack of skilled labor

high average age of workers: it is necessary to attract younger workers but they have higher wages

understaffed planning: it slows the construction process

utility companies delays: they slow the market

WHAT DOES IT MEAN?
Builders have their best moment in 10 years but are still afraid of the sustainability of the real estate market. They are looking for a serious recovery.