

Tax Pills

Italy's housing market grows + 34% in 2021 compared to 2020

18 Maggio 2022

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The Italian residential market has registered almost 750.000 transactions in 2021, recording an increase in home sales of + 34% over the previous year. Among the large cities, the leading increases compared to 2020 can be observed in Genoa and Rome, respectively + 32.2% and + 31.4%. These are just some of the insights contained in the **Residential real estate report** made by the *Real Estate Market Observatory* of the Revenue Agency in collaboration with **ABI**, the *Italian Banking Association*. The report, published today, also contains an in-depth analysis of the *index of Affordability*, a measure that photographs the evolution over time of the possibility for families to purchase houses, and the various factors that influence it.

The housing market in Italy - As already said, in 2021 the residential market registered 748.523 sale transactions. This number confirms the positive trend recorded starting from 2014 and interrupted only by negative data registered in 2020 (-7.7%), due to the onset of the pandemic emergency. Furthermore, the increase in buying and selling houses has been registered in every geographical area of the country, everywhere exceeding 30% compared to 2020 and 20% compared to 2019.

The situation region by region and in the main cities - Lombardy is the region with the greater number of transactions recorded, over 159 thousand, but Molise is the region with the largest increase in the number of home sales, with a 42.3% growth, followed by Liguria (+ 38.1%) and Calabria (+ 37.9%). Among the big cities, Rome, Italy's capital and largest city, shows a + 31.4% homes trades in 2021, but is Genoa on the top with a + 32.2% increased on 2020, followed by Florence, + 28.9%, and Turin, + 28.2%. Naples also did well.

The Affordability Index – This index summarizes various factors, disposable income, house prices, trends and mortgage interest rates, that all together affect the average household's aptitude to buy a house at the average market price, by taking out a mortgage. The higher the value of the index, the easier it is to acquire a house from the family by taking out a mortgage. That said, during 2021, the affordability of families to buy a house by resorting to a mortgage has remained substantially stable.

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