



DIPARTIMENTO DEL
TESORO

**REPORT ON PUBLIC ASSETS AT MARKET
PRICES AT 31 MARCH 2011**

A first analysis of collected data

In February 2010 pursuant to the provisions of Article 2, paragraph 222 of Law No. 191/2009 the Treasury Department of the Ministry of the Economy and Finance launched the project for the survey of the assets owned by all the Italian Public Administrations, with the aim of drawing up the yearly "Report on public assets at market prices".

This note contains the first findings of the analysis of the surveyed land and buildings owned by the State or any other Public Administrations (hence, property leased from private entities has not been included). The project represents a further contribution towards improving the management and the development process of public assets through the systematic knowledge of their amount and market value.

REAL ESTATE SURVEYED AT 31 MARCH 2011

The data collected from February 2010 to March 2011 relate to 53% of all Public Administrations. Over 530,000 real estate units (buildings) have been surveyed (for a total area of over 222 million square meters) as well as almost 760,000 land parcels (for a total of 13 billion square meters approximately).

REAL ESTATE UNITS (BUILDINGS)

In terms of surface area, 92% of the real estate units is used by the public administration that owns it, whereas 2% is leased from other public entities. For 6% of the surveyed surface area no specific right to use has been provided.

As far as the type of use is concerned, about 72% of the surveyed surface area is used for institutional activities, while 10% is for residential use (the latter accounting for 47% in terms of number of real estate units). No indication has been provided as to the use of the remaining 18%.

LAND PARCELS

Data provided by Public Administrations at 31 March 2011 enabled the surveying of almost 760.000 land parcels for a total surface area of over 13 billion square meters.

In terms of surface area, 96% of the surveyed land parcels is used by the public administration that owns it. Only 1% is leased from other public entities.

A FIRST ESTIMATE OF THE VALUE OF THE SURVEYED REAL PROPERTY – METHODOLOGICAL PRELIMINARY REMARKS

Estimates of the real property have been made by using the data of the surface area provided by Public Administrations (the real estate units (buildings) have been divided by type of use and the municipality where they are located, while the land parcels by the province where they are located) and, with regard to prices, data provided by institutional databases. More specifically, in the case of real estate units, data from the Osservatorio del Mercato Immobiliare (OMI – Real Estate Market Observatory) of the Agenzia del Territorio (Land Registry) have been used, and in the case of land parcels data from the Istituto Nazionale di Economia Agraria (INEA – National Agricultural Economy Institute).

The methodological approach adopted to appraise State real property has been to use the minimum and maximum market prices recorded by OMI and INEA, which therefore did not lead to a single value but rather to a range estimate (minimum – maximum). Moreover, the estimates presented here are affected by the quality of the data collected as well as by approximations due to the current impossibility to precisely link the information available in the various institutional databases used. The collaboration undertaken with the Agenzia del Territorio (Land Registry) and the Agenzia per le Erogazioni in Agricoltura (AGEA – the Agency that distributes EU funds to agricultural producers) will allow greater accuracy of the appraisal of land and buildings.

A progressive improvement of the informative content of data concerning both land and buildings will be achieved by involving and raising the awareness of Public Administrations as well as through cooperation with the Agenzia del Demanio (State Property Office).

It should be noted that the estimates thus obtained are intended to give a rough appraisal of the aggregate market value of land and buildings owned by the Public Administrations; therefore with regard to individual real property, the values thus established are not supposed to replace an accurate estimate by a professional appraiser.

ESTIMATE OF THE VALUE OF REAL ESTATE UNITS (BUILDINGS)

The value of real estate units has been estimated by using prices taken from the database for real estate market prices run by the Agenzia del Territorio (Land Registry), through OMI, updated on 31 December 2010.

The OMI database divides the national territory into homogeneous market level portions on the basis of common characteristics (such as urban planning, social and economic aspects, provision of services, etc.). Hence, each municipality is divided into one or more areas (so-called “OMI zones”) which are homogeneous in terms of price levels. For each zone a minimum and a maximum value, by type of use (residential, commercial, tertiary, industrial), are provided.

As the geo-referencing of the surveyed real estate units is not available yet, each real estate unit cannot be associated (on the basis of cadastral information) to the relevant OMI zone. Therefore, estimates have been made on the basis of the municipal average OMI value, for each type of use, separately for the minimum and maximum value. Average OMI values (both minimum and maximum) thus obtained have been applied to the surface areas of the individual real estate units (buildings) reported by Public Administrations. In the case of municipalities where no OMI value is available, the average value of the relevant province was used.

A rough estimate of the market value of the surveyed real estate units (buildings) ranges from € 239 to 319 billion. The range estimate is due to the choice to use as reference prices both the minimum and maximum market values provided by OMI for the whole national territory.

ESTIMATES OF LAND MARKET VALUE

The value of public land has been estimated by using the relevant prices of the INEA database that provides minimum and maximum values by type of crop at provincial level.

Estimates have been made on the basis of the average price at provincial level, through separate calculations for the minimum and maximum value. The above-mentioned average values have been calculated as weighted averages of the provincial prices by crop, with weights equal to the area devoted to each crop in the province. The values have been multiplied by the surface area reported by Public Administrations.

The market value of the surveyed land ranges from € 11 to 49 billion. The range estimate depends on the choice to use as reference prices both the minimum and maximum market values provided by the INEA database.