

ABILIO AND NEPRIX PRESENT THE ANNUAL FIGURES TAKEN FROM THE REAL ESTATE OBSERVATORY OF JUDICIAL SALES WHICH PROVIDES A SNAPSHOT OF THE EVOLUTION OF THE SECTOR SINCE 2019

- *Judicial sales take off again following the contraction in '20 and '21 but with volumes still a long way from those pre-pandemic: 190 thousand attempts at sale recorded (+3.4% over '21) for a basic auction value of €32 billion (+1.6% over '21)*
- *The “inventory” is ageing: the proportion of sales arising from procedures older than 6 years rose from 31% in 2019 to 41% in 2022.*
- *Sales digitalisation is accelerating, increasing by 42%: 77% of enforcement auctions were carried out electronically in 2022 (vs 33% at 31.03.2019)*
- *The support of third party specialists in the management of commercial sales has risen to 40% (vs 26% at 31.12.19)*

Milan, 13 December 2022 – The two companies of the illimity Group, **neprix** – a servicer working in the management of distressed corporate credit - and **Abilio S.p.A.** – a player of reference in the purchase and sale of real estate and operating assets deriving from insolvency and enforcement procedures, lease companies and voluntary sales – present the main results included in the **Real Estate Observatory of Judicial Sales**.

The survey investigates the dynamics of judicial real estate sales in Italy over the period between 1 January 2019 and December 2022, looking at both enforcement procedures and those carried out in an insolvency environment. The aim is to analyse their evolution, also in light of the pandemic, and highlight the specifics of the industry, its critical areas and current opportunities.

It emerges from the Observatory’s findings that judicial real estate sales began rising again in 2022 to stand cumulatively at approximately **190 thousand** attempts at sale for a basic auction value of **€32 billion**¹. These volumes are slightly higher than those of 2021, which saw 184 thousand attempts at sale for a basic auction value of €31 billion, but still significantly lower than the pre-pandemic volumes posted in 2019 (233 thousand attempts at sale for a basic auction value of €38 billion). The greatest drop in judicial attempts at sale occurred in 2020, a year hit in full by the restrictive effects of the lockdown (135 thousand attempts at sale in the year for a basic auction value of €22 billion).

Number of attempts at sale by year



Basic auction value of the attempts at sale by year



¹ The reported figures represent an internal analysis of data from two different sources: the Public Sales Portal (Portale delle Vendite Pubbliche - PVP) and Abilio’s portals, including **Quimmo**, active in the purchase and sale of real estate both on the judicial and open real estate markets.

At a **geographical** level, the pick-up in sales is generalised across the whole of the country, with a greater incidence in the regions of the Centre, South and Islands and a lesser effect in the regions of Northern Italy.

Looking at the two types of procedure connected with the sales, namely insolvency and enforcement, the survey highlights certain differences in the trends currently taking place.

More specifically, for **enforcement** sales, following the end in June 2021 of the emergency suspension period for sales, which had begun in 2020, there was a constant increase in the number of attempts at sale, which rose from 94 thousand in 2020 to 142 thousand in 2022, a level that was still however below that reported pre-pandemic (171 thousand attempts at sale in 2019).

On the other hand, for **insolvency** sales the pick-up in the number of attempts at sale was more uncertain, with volumes in 2022 (of 49 thousand) exceeding those of 2020 (41 thousand) but falling below those of both 2021 (58 thousand) and pre-pandemic 2019 (62 thousand). This lower growth is due to the combined effect of a decrease in the procedures declared in the emergency period and uncertainty in the legislative sphere, with the effective date of the Crisis Code deferred until 15 July 2022.

A gradual “ageing” of the “inventory” underlying judicial sales is the consequence of the slowdown in attempts at sale in the three-year period in question.

The portion of sales arising from procedures older than 6 years rose from **31% in 2019 to 41% in 2022**, driven by those carried out as part of insolvency procedures (48% of total sales in 2022 vs 35% in 2019). The survey additionally shows that only 8% of the procedures declared in 2021 have already begun the sales phase, a figure that falls to less than 1% if we look at 2022 alone.

Given this situation, the awareness is growing in many Italian courts of the importance of accompanying a purely legal approach to attempts at sale (focusing on compliance with the law and the “few” announcement requirements) with a commercial approach in this respect, focusing on the support of **Specialists**. Starting from a more detailed analysis of the assets under liquidation, Specialists makes it possible to implement a sales process that is targeted and capable not only of maximising the catchment area of potential purchasers but also the results of the liquidation (increased sales values and reduced times for ending the judicial procedures). The survey moreover notes that the **announcement times** of attempts at sale are shorter in courts that make greater use of the assistance of Specialists: for these courts, publication times are reduced from 140 to 106 days with the resulting increase in efficiency in selling timescales.

Testimony to the greater awareness of the effectiveness of a commercial approach can be found in the proportion of attempts at sale in insolvency procedures in which the court has been supported by Specialists, which has risen from **26% in 2019 to 40% in 2022**, a growth trend that is also expected to continue in future years.

The Observatory also notes that, in particular in the enforcement sphere, there is an increasing use by courts of **electronic means** of sale, not only due to the existence of a legislative requirement since 2018 but also as a consequence of adaptation by courts, which, post pandemic, have accelerated in responding to the requirements of law in order to speed up the sales process. In actual fact enforcement attempts at sale carried out by electronic means have risen from **33% in March 2019 to 77% in December 2022** in courts across the country as a whole, with peaks of over 80% in those of Northwest and Central Italy.

The coming into effect of the Crisis Code, which introduces electronic means to support the competitive sales process also in the insolvency sphere, makes it possible to envisage a further strengthening of the digitalisation of judicial sales.

Lastly, the Observatory analyses trends in **bankruptcy procedures**.

From 2018 to 2021 (with 2022 confirmed to be in line) the number of declared procedures halved on average, or even fell to a third in certain courts, decreasing from 10,500 in 2019 to 5,500 in 2022.

A number of macroeconomic indicators suggest a potential rise in the volumes of future procedures that differs from that which might be inferred solely from a reading of the trend in declared judicial sales over the past few years.

In particular, amongst these the survey notes the high level of the stock of non-performing UTP loans on the one hand (€34 billion in June 2022) and the rising level of performing loans at high risk of Stage 2 impairment (€224 billion in June 2022) to be currently found in the balance sheets of Italian banks.

Renato Ciccarelli, Chief Executive Officer of **Abilio**, emphasised that: *“Judicial sales are gradually returning to pre-pandemic levels but we are not seeing a return to the past: dynamics are at work in the sector that are transforming them. While on the one hand the level of digitalisation of the procedures is rising, on the other the inventory is ageing, highlighting the need to speed up matters as far as an efficient management of sales is concerned. The contribution made by specialist operators is therefore bound to continue growing and will be increasingly decisive. Although procedures are falling at the present moment, we expect them to grow significantly in light of the huge stock of 34 billion euro of UTPs which are currently held by banks and which what is more have already put loans of 224 billion euro under observation”.*

Click [here](#) to download the complete Observatory.

The research will be presented today at 11.00 a.m. in the webinar *“Osservatorio Immobiliare: evoluzione delle vendite giudiziarie post pandemia”*, in which the evolution of judicial sales post pandemic will be discussed. Click [here](#) to follow the live streaming.

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illimity Bank S.p.A.

illimity is the high-tech banking group founded and headed by Corrado Passera that was created with the aim of responding to specific market needs by way of an innovative and specialist business model. More specifically, illimity extends financing to high-potential SMEs, purchases distressed corporate loans and services these through its platform neprix and provides digital direct banking services through illimitybank.com. illimity SGR, which sets up and manages alternative investment funds, the first of which dedicated to UTP loans, is also a member of the Group. The story of the illimity Group began in January 2018 with the launch of the special purpose acquisition company SPAXS S.p.A., which ended with a record 600 million euro being raised on the market. SPAXS subsequently acquired Banca Interprovinciale S.p.A., with the resulting merger between the two giving rise to “illimity Bank S.p.A.” which has been listed on the Italian Stock Exchange since 5 March 2019 (ticker “ILTY”), first on the MTA exchange and since September 2020 on the STAR segment (now Euronext STAR Milan). The banking group, headquartered in Milan, can already count on over 850 employees and ended the first nine months of 2022 with assets of around 5.3 billion euro.



Abilio S.p.A.

Abilio is the illimity Group company specialising in the purchase and sale of real estate and operating assets deriving from insolvency and enforcement procedures, lease companies and voluntary sales. Innovation, transparency and simplicity are the distinguishing features of Abilio, which can boast more than ten years' experience in insolvency and enforcement liquidations and activities carried out at over 100 courts in Italy in the capacity of: Specialised Party, Online Sales Manager, Legal Disclosure Manager and Custodian. Abilio assists its clients at all stages of the purchasing and sales process for every asset and market through the use of local professionals and a network of portals that can count on over 26.4 million visitors a year and consists of Quimmo, Industrial Discount, Fallimenti.it, Annunci industriali and Vendite Giudiziarie Italia.

neprix S.r.l.

neprix is the illimity Group company specialising in the management of distressed corporate credit through the use of an innovative, multi-disciplinary and technological servicing model. On the one hand, through the neprixDCManagement division, it supports investors along the whole of the value chain from loan valuation, loan data tape management, legal analysis and the valuation of real estate through to the optimising the way of managing corporate secured and unsecured asset classes. On the other, thanks to neprixrealestate, it provides a complete range of services: from the analysis and valuation of real estate and big data analytics, data enrichment and location intelligence through to property management and real estate asset management. The illimity Group has also acquired AREC – a company specialising in the management of Unlikely to Pay (UTP) loans with a focus on the corporate real estate segment – which will be integrated into neprix. The resulting merger will create a market leader with loans of over 9.8 billion euro under management and a significant focus on UTPs, which will represent over a third of the portfolio.