

## 1. GENERAL TREND OF THE REAL ESTATE MARKET IN FOURTH QUARTER 2015

Quarter to quarter, the Real Estate Price Index (REPI) rose slightly 0.5 percent, due to the increase in prices by 0.7 percent in residential property and by 1.2 percent in commercial property. On the contrary, land prices recorded a slight decrease by 0.4 percent.

In major cities, prices went up 0.8 percent in Oujda and 5.8 percent in Casablanca, while they dropped 0.9 percent in Marrakech and 2.4 percent in Meknes.

Transactions increased by 9.8 percent, reflecting higher sales of residential property by 8.7 percent, of land by 11.2 percent and of commercial property by 18 percent.

Year on year, the REPI was up 0.8 percent, impacted by the 0.4 percent rise in residential property assets price and the 1.7 percent increase for urban land. As for commercial property, its prices almost stagnated.

The number of transactions dropped by 5.8 percent, due to lower sales of all assets, namely by 6 percent for residential property, 4.5 percent for lands, and 6.4 for commercial property.

- The REPI rose slightly, by 0.5 percent quarter to quarter, and by 0.8 percent year on year, mainly due to higher apartments prices.
- The volume of transactions also increased at a quarterly rate of 9.8 percent, but decreased 5.8 percent from the same quarter of 2014.

REPI	Change (%)	
	Q4-15/ Q3-15	Q4-15/ Q4-14
<b>Total</b>	0.5 ↑	0.8 ↑
<b>Residential</b>	0.7 ↑	0.4 ↑
Apartment	1.6 ↑	0.4 ↑
House	-1.7 ↓	-0.3 ↓
Villa	-1.1 ↓	-0.8 ↓
<b>Urban land</b>	-0.4 ↓	1.7 ↑
<b>Commercial property</b>	1.2 ↑	-0.1 ↓
Business premises	2.3 ↑	0.3 ↑
Offices	-3.7 ↓	-2.6 ↓

Number of transactions	Change (%)	
	Q4-15/ Q3-15	Q4-15/ Q4-14
<b>Total</b>	9.8 ↑	-5.8 ↓
<b>Residential</b>	8.7 ↑	-6.0 ↓
Apartment	9.2 ↑	-6.1 ↓
House	2.1 ↑	-5.1 ↓
Villa	4.1 ↑	-3.6 ↓
<b>Urban land</b>	11.2 ↑	-4.5 ↓
<b>Commercial property</b>	18.0 ↑	-6.4 ↓
Business premises	15.3 ↑	-8.2 ↓
Offices	40.4 ↑	7.7 ↑

In short

## 2. General trend by property category

### Residential property

**Quarter on quarter**, residential property index rose by 0.7 percent, reflecting the 1.6 percent increase in prices of apartments, while prices for houses and villas fell respectively 1.7 and 1.1 percent. Number of transactions grew by 8.7 percent, impacted by improved sales of all categories of assets, with respective increases of 9.2 percent, 2.1 percent and 4.1 percent for apartments, houses and villas.

**Year on year**, prices of residential property increased somehow by 0.4 percent, as a result of the 0.4 percent rise in apartment prices. Conversely, prices decreased by 0.8 percent for villas and by 0.3 percent for houses. Transactions contracted by 6 percent, as sales fell by 6.1 percent for apartments, 5.1 percent for houses, and by 3.6 percent for villas.

### Urban land

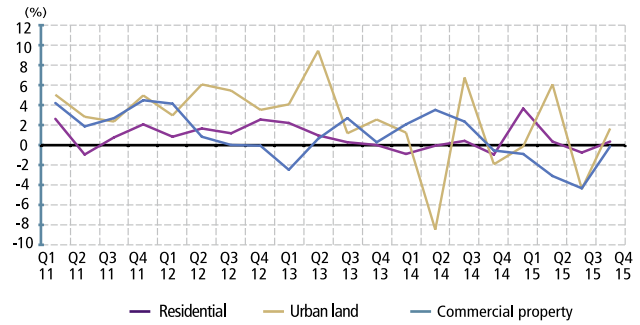
**In the fourth quarter**, prices declined by 0.4 percent compared to the previous quarter, whereas they were up 1.7 percent compared to the 4th quarter of 2014. On the other hand, sales dropped by 4.5 percent compared to the same quarter of the previous year, despite their 11.2 percent rise quarter on quarter.

### Commercial property

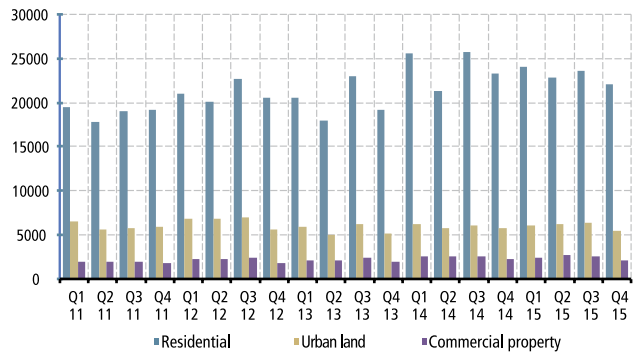
Prices of commercial property rose by 1.2 percent compared to the 3rd quarter of 2015, reflecting higher prices of commercial premises by 2.3, while prices of offices dropped by 3.7 percent. As for transactions, they rose by 18 percent, owing to the increase by 15.3 percent in the sales of commercial premises and by 40.4 percent in those of offices.

**Year on year**, prices remained stagnant, as the 0.3 percent rise in prices of commercial premises was offset by the 2.6 percent fall in those of offices. The number of transactions dropped by 6.4 percent, due to the 8.2 percent decrease in sales of commercial premises, while sales of offices increased by 7.7 percent.

Real estate price indexes by category, (YoY)

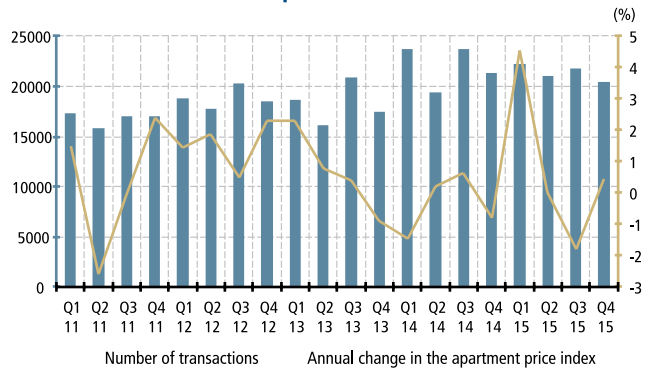


Change in the number of transactions



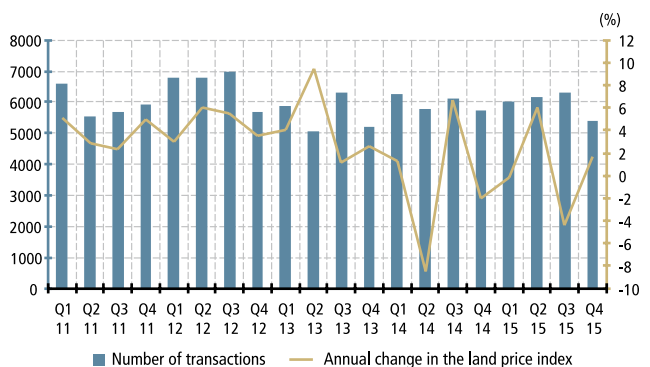
YoY change in the price index (%) and number of transactions

#### Apartments



YoY change in the price index (%) and number of transactions

#### Urban land



### 3. Real estate market trend by city

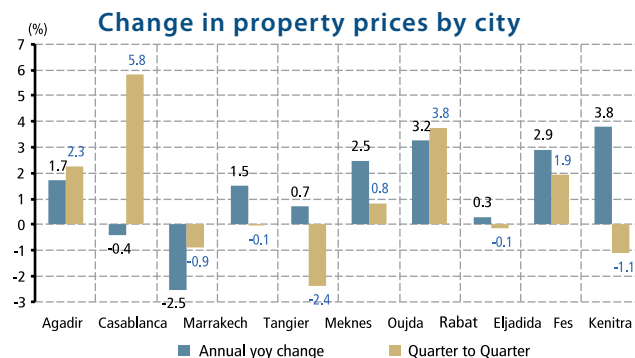
Quarter to quarter, prices changes have diverged from one city to the other. They increased in Casablanca, Rabat and Fez, while they dropped in Marrakech, Meknes, and Kenitra, and stagnated in Tangier and El Jadida. Regarding transactions, they improved from one quarter to the other, except for Rabat and Oujda, where they decreased.

In Casablanca, Prices grew by 5.8 percent in the fourth quarter of 2015, owing to the 7.7 percent increase in apartments' prices, while prices of urban land and commercial property fell by 3 percent and 0.3 percent respectively. On the other hand, transactions grew by 14.9 percent, due to increases by 12.9 percent in apartments, 40.8 percent in lands, and 26.8 percent in commercial property.

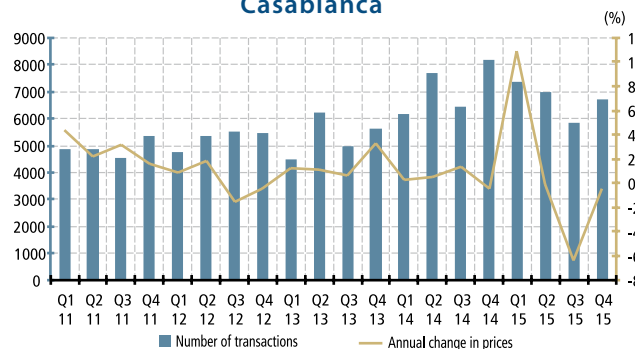
In Rabat, the REPI rose by 3.8 percent compared to the third quarter of 2015, as prices of all assets increased. On the other hand, sales dropped by 10.9 percent as transactions decreased by 16.4 percent for apartments, and by 26.1 percent for commercial premises. Conversely, sales of urban land rose by 28.9 percent from one quarter to the other.

In Marrakech, prices dropped by 0.9 percent, owing to the decline in prices of apartments and urban land by 1.1 percent and 2.1 percent respectively. The number of transactions increased for all categories of assets, as they reached 8.3 percent for residential property, 7.4 percent for urban land, and 23.2 percent for commercial property.

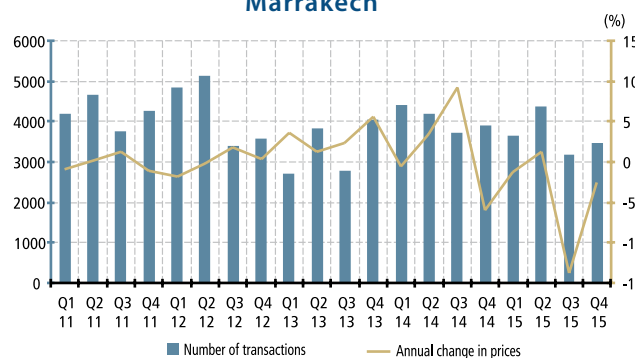
In Tangier, the REPI remained unchanged compared to the third quarter of 2015. By category, prices fell by 1.7 percent for apartments and 0.8 percent for commercial premises, while those of lands rose by 0.2 percent. Regarding transactions, they improved by 5.2 percent, reflecting respective rises of 6.1 percent and 8.2 percent in the sales of residential properties and lands. On the contrary, transactions of commercial property contracted by 16.2 percent.



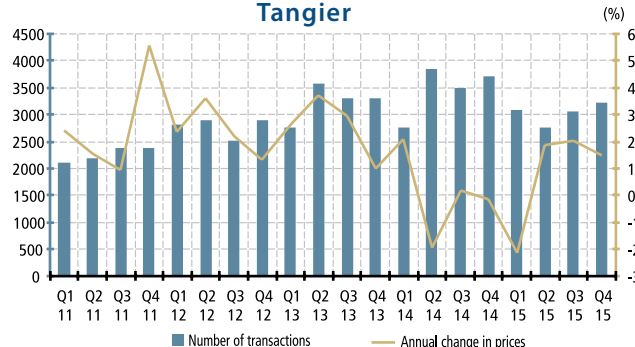
Change in the REPI (%) and in transactions in Casablanca



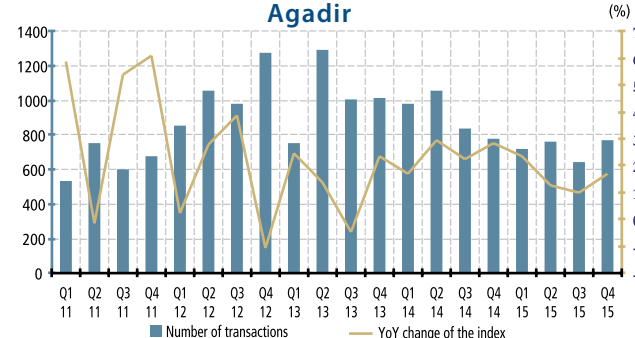
Change in the REPI (%) and in transactions in Marrakech



Change in the REPI (%) and in transactions in Tangier



Change in the REPI (%) and in transactions in Agadir



## Change in the REPI in some major cities

City	Property category	Change (%)		City	Property category	Change (%)	
		Q4-15/ Q3-15	Q4-15/ Q4-14			Q4-15/ Q3-15	Q4-15/ Q4-14
Agadir	Apartment	1.2	-1.1	Marrakech	Apartment	-1.1	0.5
	House	-0.1	4.7		House	4.5	4.6
	Villa	10.8	6.7		Villa	-15.1	-5.3
	Urban land	4.0	9.0		Urban land	-2.1	-6.7
	Business premises	8.6	-9.0		Business premises	6.0	2.0
	Office	-	-		Office	-	-49.4
	<b>Total</b>	<b>2.3</b>	<b>1.7</b>		<b>Total</b>	<b>-0.9</b>	<b>-2.5</b>
Casablanca	Apartment	7.7	-0.2	Meknès	Apartment	6 -1	-2.4
	House	4.1	1.7		House	-2.0	2.2
	Villa	-7.3	-8.0		Villa	-11.8	-27.0
	Urban land	-3.0	0.4		Urban land	-5.2	-0.1
	Business premises	-0.5	-0.8		Business premises	3 8	14.9
	Office	1.7	0.3		Office	-15.7	5.9
	<b>Total</b>	<b>5.8</b>	<b>-0.4</b>		<b>Total</b>	<b>-2.4</b>	<b>0.7</b>
El Jadida	Apartment	-2.2	0.4	Oujda	Apartment	-1.7	1.6
	House	15.7	6.8		House	-0.5	-4.9
	Villa	-	-18.4		Villa	-	-
	Urban land	0.8	-0.2		Urban land	1.6	7.3
	Business premises	14.2	9.9		Business premises	-	51.4
	Office	-	-		Office	-	-
<b>Total</b>	<b>-0.1</b>	<b>0.3</b>	<b>Total</b>	<b>0.8</b>	<b>2.5</b>		
Fes	Apartment	-0.7	-0.9	Rabat	Apartment	1.2	2.2
	House	39.6	32.1		House	3.3	-11.1
	Villa	-33.9	-8.1		Villa	20.9	9.0
	Urban land	4.5	5.6		Urban land	9.1	7.5
	Business premises	5.2	5.9		Business premises	7.5	11.8
	Office	-4.4	0.5		Office	-	-
<b>Total</b>	<b>1.9</b>	<b>2.9</b>	<b>Total</b>	<b>3.8</b>	<b>3.2</b>		
Kenitra	Apartment	1.3	2.0	Tangier	Apartment	-1.7	0.2
	House	-9.4	9.8		House	3.5	4.0
	Villa	7.0	-12.8		Villa	-	-
	Urban land	4.9	18.6		Urban land	0.2	3.9
	Business premises	-4.0	-11.4		Business premises	-0.1	-3.3
	Office	5.3	12.6		Office	12.2	9.6
<b>Total</b>	<b>-1.1</b>	<b>3.8</b>	<b>Total</b>	<b>-0.1</b>	<b>1.5</b>		

## TECHNICAL NOTICE

The real estate price indexes (REPI) were jointly constructed by Bank Al-Maghrib and the Land Registry Office on the basis of the latter's data. These quarterly indexes, which have a base value of 100 in 2006, are calculated following the repeat-sales method that controls the heterogeneity of properties. This method does indeed take into account only the properties sold at least twice during the period under review.

This mechanism captures changes in property prices nationwide and by major cities for the three major types, namely residential property, urban land and commercial property, as well as for the six real estate categories: apartment (a dwelling located in a collective building and comprising one or several rooms), house (a single or several-story individual dwelling with no garden), villa (an individual dwelling with a garden), urban land (plot of land located in the urban area), business premises (space fitted for commercial activity) and office (working premises).

These indexes are calculated on the basis of data as of the 35th day following the quarter under review, which implies an update of historical data. This update may be important because of the lag between transactions and registrations and/or the integration of property that was sold at least twice during the quarter. This methodologically rigorous approach, however, requires setting a minimum threshold of transactions for its calculation, which does not allow developing indexes for certain cities, categories and/or quarters.

The reference document setting out the detailed methodology for developing the REPI is available on the websites of Bank Al-Maghrib and the National Land Registry Office.

( - ) : The index is not calculated when the minimum number of transactions is not reached.

**Prices-** After its 0.4 percent fall in 2014, the REPI rose slightly, by 0.6 percent in 2015, in connection with the increases recorded in the prices of urban land, by 0.7 percent, and of residential property, by 0.9 percent, as those of apartments rose by 0.8 percent. Meanwhile, prices of commercial property fell 2.1 percent, due to decreases of 2.1 percent in the prices of commercial premises and 3.2 percent in those of offices.

**Number of transactions-** After it increased considerably in 2014, the number of transactions was down for all categories of assets in 2015. Hence, sales of residential property dropped 7.1 percent, reflecting a 6.9 percent fall in transactions of apartments. Similarly, sales of lands dropped by 2.8 percent while those of commercial property decreased 3.5 percent, due to the 4.2 percent fall of transactions involving commercial premises.

**By major cities-** Prices increased differently, from 0.6 percent in Fes to 2.7 percent in Kenitra, while they recorded respective decreases of 4.3 percent and 1.8 percent in Marrakech and El Jadida.

**In Casablanca,** the REPI increased by 1 percent, due to higher prices of residential property, by 1.4 percent, and prices of lands, by 2.8 percent. On the other hand, prices of commercial property dropped 3.6 percent, due to lower prices both in commercial premises and offices. Sales fell 5.5 percent due to the 6.8 percent decrease in transactions of residential property. On the contrary, sales of other assets grew 3.9 percent for lands and 1.1 percent for commercial property.

**In Rabat,** the REPI was up 2.2 percent, as prices rose 2.3 percent for residential property and 9.3 percent for commercial ones. Land prices decreased 1.8 percent after their 7.7 percent rise recorded one year earlier. These evolutions concurred with a 10.9 percent drop in real estate transactions, due to their decrease by 14.5 percent in apartments, 4 percent in lands, and 24.9 percent in commercial premises.

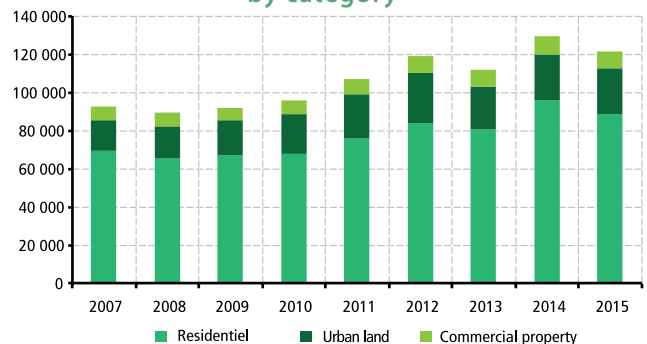
- Increase of the REPI by 0.6 percent in 2015, in connection with higher prices of residential property and urban lands.
- Drop of real estate transactions by 6 percent, impacted by the decrease in sales of all categories of assets.

In short

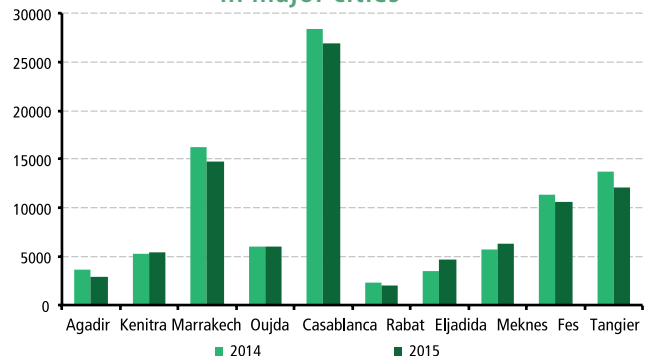
REPI	Change compared to 2014 (%)
<b>Total</b>	<b>0.6</b> ↑
<b>Residential</b>	0.9 ↑
Apartment	0.8 ↑
House	1.1 ↑
Villa	1.0 ↑
<b>Urban land</b>	0.7 ↑
<b>Commercial property</b>	-2.1 ↓
Business premises	-2.1 ↓
Offices	-3.2 ↓

Number of transactions	Change compared to 2014 (%)
<b>Total</b>	<b>-6.0</b> ↓
<b>Residential</b>	-7.1 ↓
Apartment	-6.9 ↓
House	-7.6 ↓
Villa	-12.8 ↓
<b>Urban land</b>	-2.8 ↓
<b>Commercial property</b>	-3.5 ↓
Business premises	-4.2 ↓
Offices	1.9 ↑

Annual change in the number of transactions by category



Annual change in the number of transactions in major cities

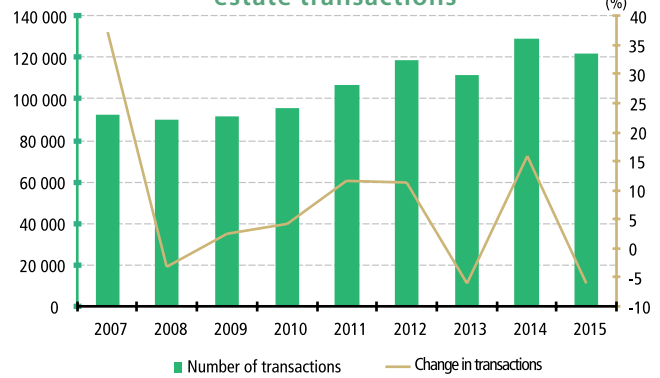




In **Marrakech**, prices dropped 4.3 percent, impacted by the decrease by 7.9 percent in land prices, 3.6 percent in commercial premises, while prices of residential properties remained almost unchanged. Similarly, transactions fell 9.3 percent, in connection with the declining sales by 11.6 percent for residential property and 15.9 percent for commercial premises. Conversely, land transactions rose 1 percent.

The **REPI recorded a slight increase in Tangier**, by 0.8 percent, as prices were up 0.3 percent for residential property, 2.5 percent for lands, and 1.6 percent for professional premises. Concurrently, real estate transactions declined by 11.9 percent, due to their decrease in all categories of assets. Hence, sales dropped by 12 percent for residential property, 11.3 percent for lands, and 10.4 percent for commercial property.

Annual change in the number of registered real estate transactions



Change in prices and number of transactions by major cities

Cities	Change compared to 2014 (%)	
	REPI	Number
Casablanca	1.0	-5.5
Marrakech	-4.3	-9.3
Rabat	2.2	-10.9
Tangier	0.8	-11.9

Change in property prices in major cities



Distribution of real estate transactions by type of property

