

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

Year on year, real-estate prices posted an increase of 0.8 percent in the second quarter of 2015, compared to 0.6 percent a quarter earlier. This new rise is attributable to the 3.8 percent increase in the prices of urban lands, while commercial and residential properties fell by 1.2 percent and 0.3 percent, respectively.

Regarding the number of transactions, it was down 7.9 percent, after rising 10.1 percent in the previous quarter. This decrease reflects a decline in sales by 11.2 percent for residential property and 1 percent for commercial property. In contrast, transactions on urban lands gained 4.1 percent.

Quarter-on-quarter, following an increase of nearly 1 percent in Q1-2015, the real-estate price index (REPI) fell 0.4 percent in the second quarter. By asset class, residential property prices went down 0.9 percent, while those of urban lands increased by 1.4 percent. As for commercial properties, their price did not change significantly. In large cities, the most notable regressions were registered in El Jadida (7.6 percent) and Meknes (2.5 percent).

As to the volume of transactions, following a decrease of 8.4 percent in Q1-2015, it dropped again, by 0.5 percent, reflecting a decline of 9.2 percent for commercial assets. Concerning the other assets, sales edged up 0.3 percent for residential properties and 0.2 percent for urban lands.

- The real-estate price index rose 0.8 percent year-on-year, due to higher urban land prices.
- On a quarterly basis, prices were down 0.4 percent, reflecting a depreciation of the index of residential property.
- Sales decreased by 7.9 percent year-on-year and 0.5 percent from the previous quarter.

REPI	Change (%)	
	Q2-15/ Q1-15	Q2-15/ Q2-14
<b>Total</b>	-0,4 ↓	0,8 ↑
<b>Residential</b>	-0,9 ↓	-0,3 ↓
Apartment	-1,5 ↓	-0,5 ↓
House	0,5 ↑	-0,2 ↓
Villa	1,1 ↑	0,8 ↑
<b>Urban land</b>	1,4 ↑	3,8 ↑
<b>Commercial property</b>	0,1 ↑	-1,2 ↓
Business premises	6,4 ↑	3,5 ↑
Offices	-1,4 ↓	-2,5 ↓

Number of transactions	Change (%)	
	Q2-15/ Q1-15	Q2-15/ Q2-14
<b>Total</b>	-0,5 ↓	-7,9 ↓
<b>Residential</b>	0,3 ↑	-11,2 ↓
Apartment	-0,3 ↓	-11,1 ↓
House	4,0 ↑	-13,6 ↓
Villa	15,0 ↑	-7,4 ↓
<b>Urban land</b>	0,2 ↑	4,1 ↑
<b>Commercial property</b>	-9,2 ↓	-1,0 ↓
Business premises	-10,8 ↓	-1,3 ↓
Offices	2,5 ↑	1,0 ↑

In short

## 2. General trend by property category

### Residential property

From one year to the other, prices of residential property edged down 0.3 percent, reflecting drops of 0.5 percent for apartments and 0.2 percent for houses. However, prices of villas increased 0.8 percent.

Transactions fell 11.2 percent, dragged down by the contraction in the sales of all asset classes, with a rate of 11.1 percent for apartments, 13.6 percent for houses and 7.4 percent for villas.

Quarter on quarter, prices for residential property registered a regression of 0.9 percent, mainly in connection with that of 1.5 percent for apartments. However, prices of houses and villas increased 0.5 percent and 1.1 percent, respectively. Sales increased by 0.3 percent overall. By property type, the rise reached 4 percent for houses and 15 percent for villas. As for transactions on apartments, they were down 0.3 percent.

### Urban land

Year-on-year, prices of urban lands increased 3.8 percent and the number of transactions rose by 4.1 percent.

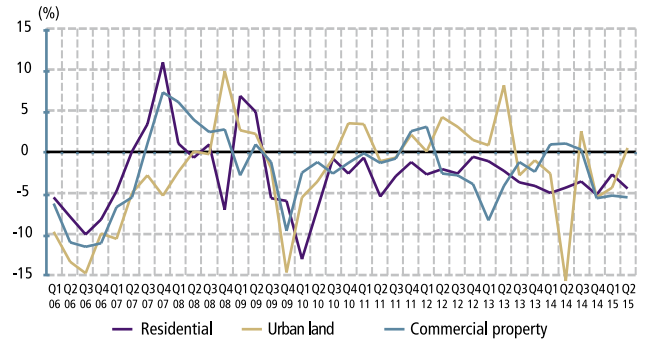
Quarter on quarter, urban land price index gained 1.4 percent, while the volume of transactions did not change significantly.

### Commercial property

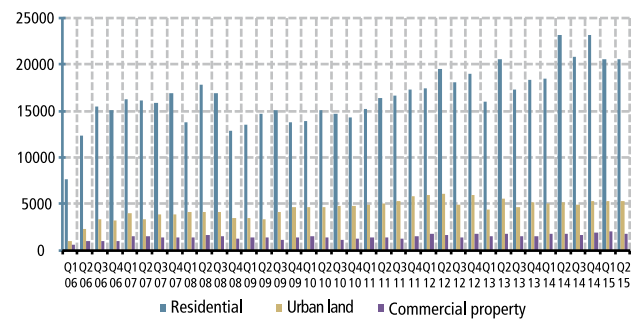
From one year to the next, the prices of commercial property fell 1.2 percent, with a decrease of 2.5 percent for offices and a rise of 3.5 percent for commercial property. Regarding the number of transactions, after an increase of 10.1 percent, it went down by 1 percent overall, with in particular a decline of 1.3 percent for commercial premises. As to offices, their sales increased by 1 percent after stagnating a quarter earlier.

Quarter on quarter, the price index of commercial properties almost stagnated, as a result of the 6.4 percent increase in the prices of commercial premises and a 1.4 percent decrease in those of offices. The number of transactions decreased by 9.2 percent, reflecting a decline of 10.8 percent in the sales of commercial premises.

Real estate price indexes by category, (YoY)

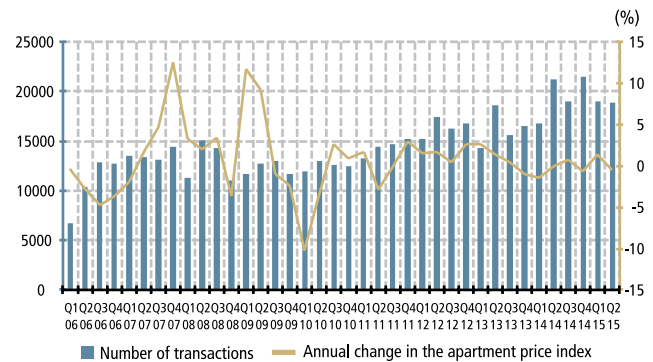


Change in the number of transactions



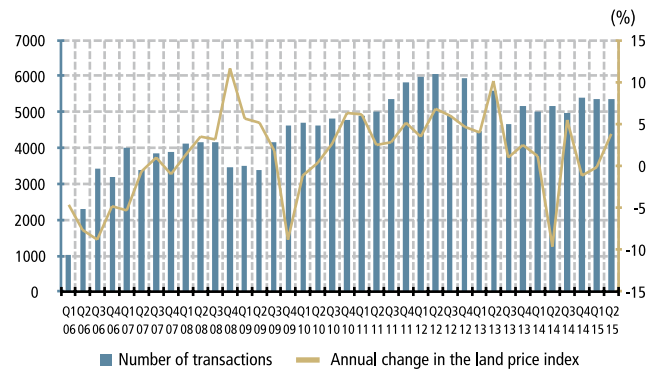
YoY change in the price index (%) and number of transactions

#### Apartments



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

#### Urban land



### 3. Property market trend by city

In **Casablanca**, after rising 1.8 percent in the previous quarter, prices decreased by 1.6 percent from one quarter to another, mainly in connection with the 3.9 percent fall in the price of apartments. As for the number of transactions, it posted a further drop of 8.8 percent, reflecting a decline of 7.4 percent for residential property, 18.5 percent for urban lands and 19.6 percent for commercial property.

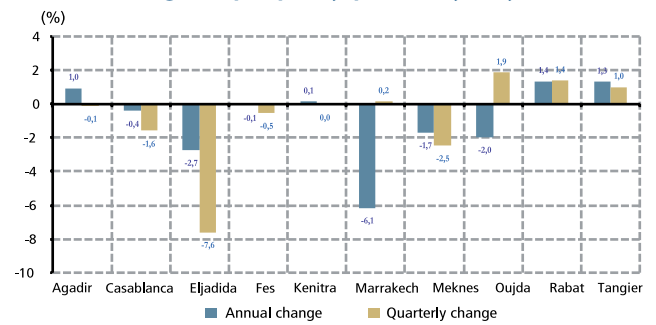
In the city of **Marrakech**, following a decline of 1.9 percent in the first quarter, the real-estate price index almost stagnated from one quarter to another, as the 7.9 percent growth of urban land prices more than offset the fall in residential and commercial properties. In terms of transactions, they fell by 5.1 percent quarter on quarter, reflecting a decline of 9.8 percent in transactions on apartments.

In **Tangier**, prices increased by 1 percent from one quarter to the other, mainly in connection with higher prices for apartments and urban lands. As for transactions, their number plummeted again, with a rate of 30.2 percent. This change is mainly attributable to the decrease of 32.3 percent in the sales of apartments.

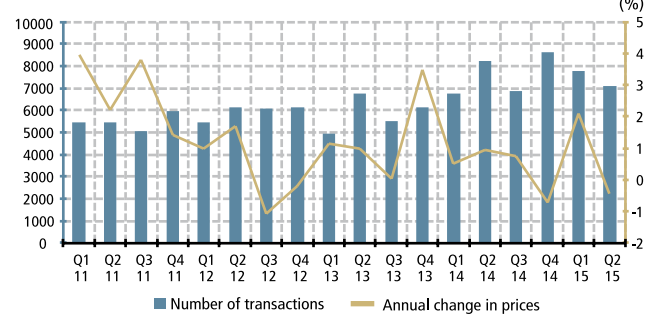
As for **Agadir**, the real-estate price index was virtually stagnant from the previous quarter, covering price decreases of 3.5 percent for apartments, 0.1 percent for urban lands and a 10.5 percent increase for houses. The number of transactions rose 2.8 percent quarter on quarter, following the increase of 7.6 percent in the sales of apartments. However, transactions on commercial property and urban lands decreased by 23.6 percent and 8.4 percent, respectively.

In **Rabat-Sale-Temara**, the real-estate price index increased by 2.8 percent. This change is attributable to the 3.7 percent increase in the prices of residential property and 5.1 percent in those of urban lands. The price of commercial property dropped by 10.6 percent from the previous quarter. In terms of transaction volume, it decreased by 1.9 percent, reflecting the decline of 4.3 percent in the sales of apartments and 10.4 percent in those of commercial property. The sales of urban lands edged up 0.6 percent.

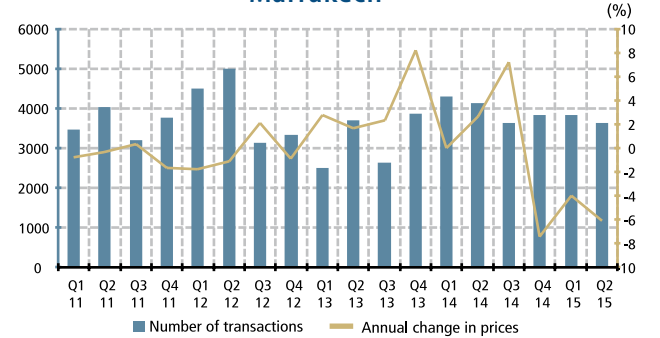
Change in Property prices by city



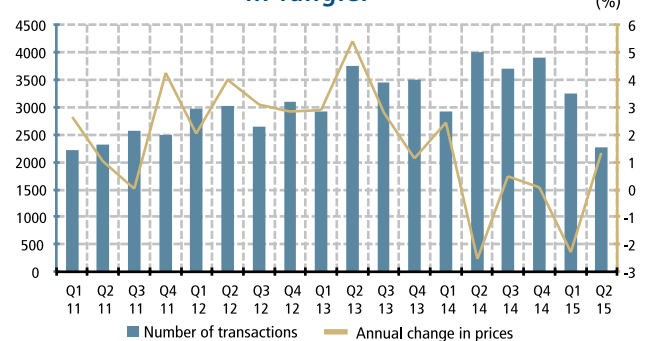
Change in property prices (%) and transactions in Casablanca



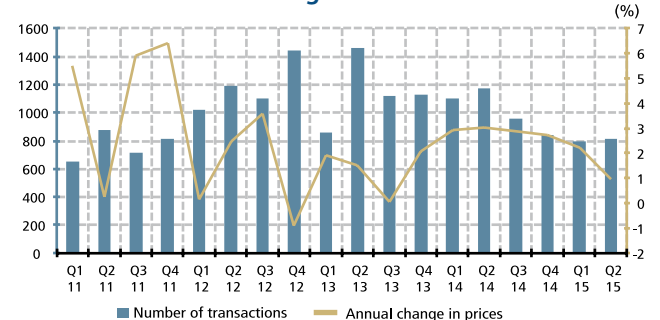
Change in property prices (%) and transactions in Marrakech



Change in property prices (%) and transactions in Tangier



Change in property prices (%) and transactions in Agadir



## Change in the REPI in some major cities

City	Property category	Change (%)		City	Property category	Change (%)	
		Q2-15/ Q1-15	Q2-15/ Q2-14			Q2-15/ Q1-15	Q2-15/ Q2-14
Agadir	Apartment	-3.5	-3.4	Marrakech	Apartment	-5.2	-5.2
	House	10.5	2.2		House	-2.2	-6.3
	Villa	-	-		Villa	-14.6	1.4
	Urban land	-0.1	5.5		Urban land	7.9	-4.1
	Business premises	-6.5	-2.6		Business premises	-14.7	-7.2
	Office	-	-		Office	-	-
	<b>Total</b>	<b>-0.1</b>	<b>1.0</b>		<b>Total</b>	<b>0.2</b>	<b>-6.1</b>
Casablanca	Apartment	-3.9	-1.8	Meknès	Apartment	-0.8	-2.6
	House	2.5	3.1		House	-4.6	-5.1
	Villa	6.9	5.9		Villa	-1.6	-6.8
	Urban land	8.0	4.5		Urban land	-2.4	2.0
	Business premises	3.1	-1.4		Business premises	-1.6	-5.4
	Office	1.8	-1.4		Office	-	-
	<b>Total</b>	<b>-1.6</b>	<b>-0.4</b>		<b>Total</b>	<b>-2.5</b>	<b>-1.7</b>
El Jadida	Apartment	-9.6	-3.7	Oujda	Apartment	-4.0	-5.9
	House	-14.5	-6.0		House	2.5	-1.0
	Villa	-	-		Villa	-	-
	Urban land	-3.1	-5.1		Urban land	2.6	-2.0
	Business premises	8.4	19.9		Business premises	-	-
	Office	-	-		Office	-	-
<b>Total</b>	<b>-7.6</b>	<b>-2.7</b>	<b>Total</b>	<b>1.9</b>	<b>-2.0</b>		
Fes	Apartment	-0.9	-1.9	Rabat	Apartment	5.4	4.8
	House	25.3	-22.5		House	-14.6	1.6
	Villa	-	-		Villa	1.1	7.2
	Urban land	-1.3	1.8		Urban land	2.3	-12.2
	Business premises	0.3	-4.2		Business premises	-12.8	-7.6
	Office	-	-		Office	-	-
<b>Total</b>	<b>-0.5</b>	<b>-0.1</b>	<b>Total</b>	<b>1.4</b>	<b>1.4</b>		
Kenitra	Apartment	1.2	-4.0	Tangier	Apartment	1.3	-2.4
	House	-2.8	-0.8		House	-6.6	1.7
	Villa	-2.9	-6.2		Villa	-	-
	Urban land	0.0	14.7		Urban land	3.7	4.7
	Business premises	2.4	-10.8		Business premises	0.0	6.6
	Office	13.7	8.7		Office	-	-
<b>Total</b>	<b>0.0</b>	<b>0.1</b>	<b>Total</b>	<b>1.0</b>	<b>1.3</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.