

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

In the fourth quarter of 2015, the real-estate price index posted a slight increase compared to the same period of the previous year. This trend covers a drop of 1.6 percent in commercial property prices and a rise of 0.4 percent in the price of urban lands. The price of residential property did not change significantly. In major cities, the biggest declines were registered in Rabat (6.5 percent) and Marrakech (4.1 percent), while the highest rises were in Agadir (2.1 percent) and Kenitra (1.4 percent).

The volume of transactions was up 7.4 percent. The increase reached 8.8 percent for residential property, 7 percent for commercial ones and 2.5 for urban lands.

Quarter-on-quarter, the real-estate price index posted a slight drop of 0.1 percent, mainly as a result of the 0.4 percent decrease in residential prices and the 1.3 percent rise in commercial property. In the main cities, prices posted rises ranging from 0.3 percent in Agadir to 5.5 percent in El Jadida and falls varying from 0.9 percent in Tangier to 2.9 percent in Rabat.

As to the number of transactions, it fell 10.7 percent. Sales dropped 13.3 percent for residential property, 3.9 percent for urban lands and 0.8 percent for commercial property.

- Slight increase in real-estate prices at quarterly rate with a decline in residential property, a rise in commercial property and a slight increase in urban lands.
- The real-estate price index went up year-on-year, with a marginal drop for residential property, a decrease for commercial ones and a rise of urban lands.
- The volume of transactions fell 10.7 percent at a quarterly rate, but is still up 7.4 percent from one year to the other.

REPI	Change (%)	
	Q1-15/ Q4-14	Q1-15/ Q1-14
Total	0.1 ↑	0.2 ↑
Residential	-0.4 ↓	-0.1 ↓
Apartment	-0.1 ↓	0.2 ↑
House	-2.3 ↓	-1.0 ↓
Villa	-2.3 ↓	-1.6 ↓
Urban land	0.2 ↑	0.4 ↑
Commercial property	1.3 ↑	-1.6 ↓
Business premises	2.4 ↑	-1.0 ↓
Offices	-6.0 ↓	-6.0 ↓

Number of transactions	Change (%)	
	Q1-15/ Q4-14	Q1-15/ Q1-14
Total	-10.7 ↓	7.4 ↑
Residential	-13.3 ↓	8.8 ↑
Apartment	-13.5 ↓	10.5 ↑
House	-10.7 ↓	-8.6 ↓
Villa	-9.4 ↓	-5.5 ↓
Urban land	-3.9 ↓	2.5 ↑
Commercial property	-0.8 ↓	7.0 ↑
Business premises	-0.7 ↓	8.2 ↑
Offices	-1.0 ↓	-0.7 ↓

In short

2. General trend by property category

Residential property

After a fall of 1.1 percent in the previous quarter, residential property prices decreased slightly by 0.1 percent, year on year. This change is due to respective falls in prices by 1 percent and 1.6 percent in houses and villas, while prices for apartments increased marginally, by 0.2 percent. The number of transactions increased 8.8 percent, as a result of a 10.5 percent rise in the sales of apartments. On the contrary, the sales of houses and villas decreased 8.6 percent and 5.5 percent, respectively.

Quarter on quarter, prices for residential assets dropped insignificantly by 0.4 percent, reflecting falls in prices by 2.3 percent for houses as well as villas. Apartment prices marked an imperceptible decrease of 0.1 percent. Concerning sales and after a 1.6 percent rise, they posted an important drop of 13.3 percent. In particular, sales of apartments plummeted by 13.5 percent.

Urban land

Year-on-year, prices of urban lands gained 0.4 percent and the number of transactions increased 2.5 percent.

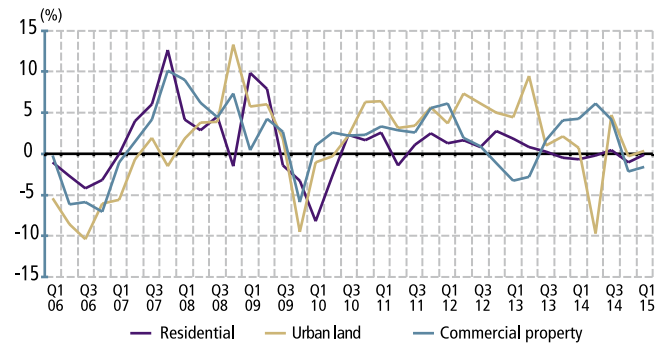
On a quarterly basis, prices posted a mere rise of 0.2 percent, while sales went down 3.9 percent

Commercial property

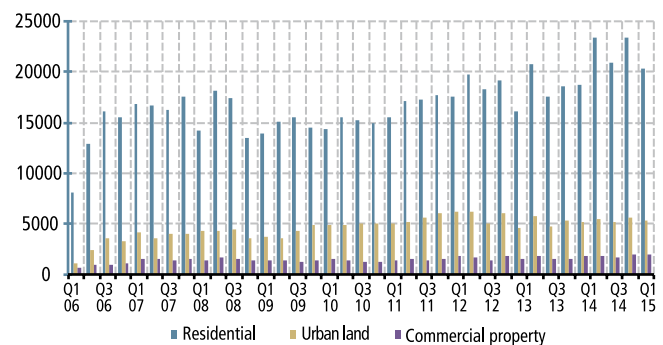
Year on year, prices of commercial property decreased by 1.6 percent, as a result of a drop by 6 percent in the prices of offices and 1 percent in commercial premises. The number of transactions increased 7 percent, including a rise of 8.2 percent in sales of commercial premises and a drop of 0.7 percent in sales of offices.

On a quarterly basis, prices were up 1.3 percent with a rise of 2.4 percent for commercial premises, whereas prices of offices dropped 6 percent. The number of transactions dropped 0.8 percent, following decreases by 0.7 percent in sales of commercial premises and 1 percent in offices.

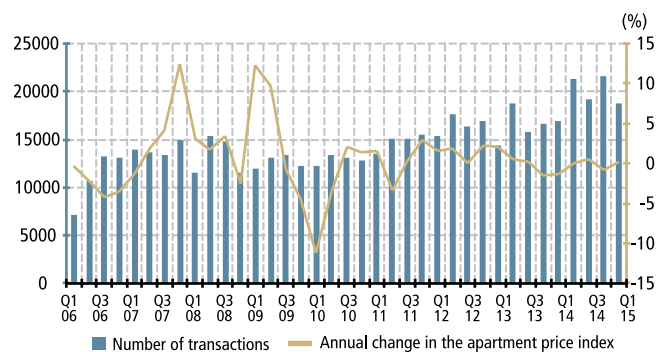
Real estate price indexes by category, (YoY)



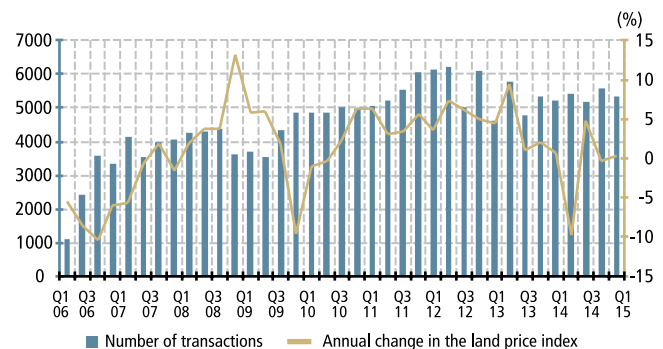
Change in the number of transactions



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

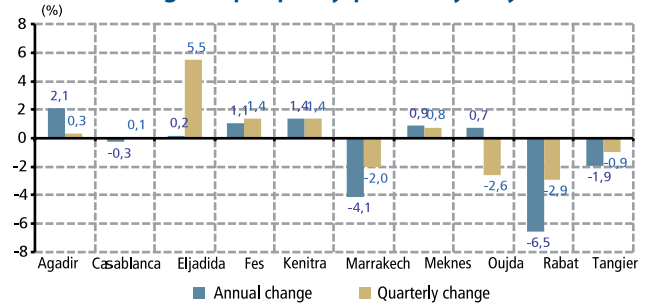
Year on year, real-estate prices gained 2.1 percent in Agadir, 1.4 percent in Kenitra and 1.1 percent in Fes, mainly in connection with rising prices for urban lands. However, they registered important drops by 6.5 percent in Rabat and 4.1 percent in Marrakech, mainly as a result of lower price for apartments.

The number of transactions registered an important decrease of 27.4 percent in Agadir and 21.3 percent in Marrakech. Sales plummeted by 18.5 percent in Casablanca, 16.4 percent in Oujda and 14 percent in Meknes.

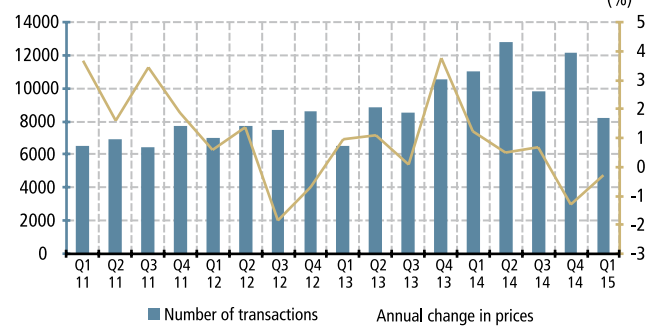
From one quarter to the other, prices increased by 5.5 percent in El Jadida and 1.4 percent in Fes and Kenitra. On the contrary, decreases ranged between 0.9 percent in Tangier and 2.9 percent in Rabat.

As to the volume of transactions, with the exception of the 9.1 percent rise observed in El Jadida, the other main cities registered falls mainly Kenitra (26.7 percent), Tangier (17.9 percent), Marrakech (13.3 percent) and Casablanca (11.8 percent).

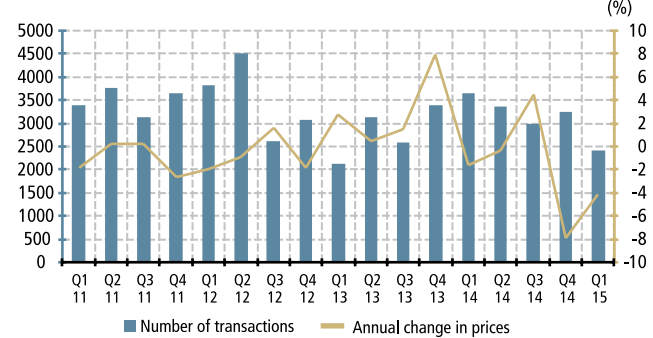
Change in property prices by city



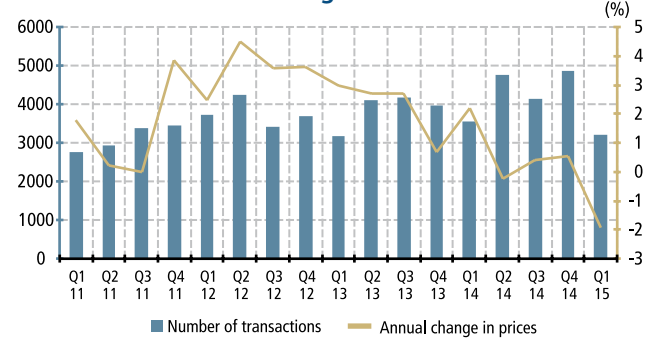
Change in property prices (%) and transactions in Casablanca



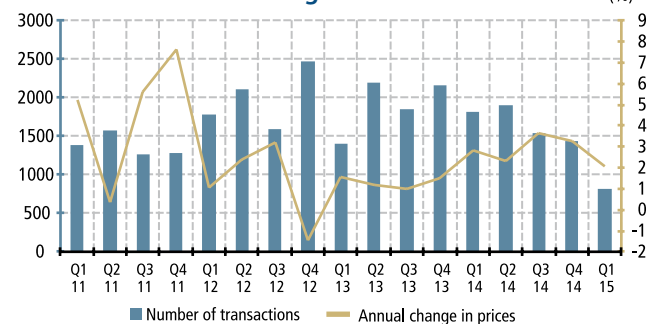
Change in property prices (%) and transactions in Marrakech



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 (%)	
		Q1-15/ Q4-14	Q1-15/ Q1-14			Q1-15/ Q4-14	Q1-15/ Q1-14
Agadir	Apartment	-2.0	0.0	Marrakech	Apartment	-1.3	-0.3
	House	-1.6	-5.0		House	-0.9	-6.9
	Villa	-	-		Villa	-	15.1
	Urban land	9.6	9.9		Urban land	-4.8	-7.5
	Business premises	-14.9	-6.8		Business premises	2.9	-13.1
	Office	-	53.9		Office	-7.2	-
	Total	0.3	2.1		Total	-2.0	-4.1
Casablanca	Apartment	0.1	-0.3	Meknès	Apartment	-1.1	2.0
	House	-0.1	2.4		House	2.4	-0.6
	Villa	-3.0	2.9		Villa	-	-9.9
	Urban land	0.7	-1.9		Urban land	-0.3	1.4
	Business premises	0.1	0.1		Business premises	6.1	3.9
	Office	-0.5	3.3		Office	-	-
	Total	0.1	-0.3		Total	0.8	0.9
El Jadida	Apartment	5.7	-0.9	Oujda	Apartment	1.1	0.3
	House	-	14.1		House	-5.2	3.7
	Villa	-	21.3		Villa	-	-
	Urban land	-12.3	-3.1		Urban land	-2.5	-1.6
	Business premises	14.9	9.4		Business premises	-	-8.3
	Office	-	-		Office	-	-
	Total	5.5	0.2		Total	-2.6	0.7
Fes	Apartment	-0.3	-1.3	Rabat	Apartment	-8.6	-15.8
	House	-	3.8		House	-9.5	-
	Villa	-8.2	-0.7		Villa	4.7	6.6
	Urban land	2.7	4.4		Urban land	-4.1	-1.1
	Business premises	5.9	-0.5		Business premises	-	15.0
	Office	3.3	6.4		Office	-	-
	Total	1.4	1.1		Total	-2.9	-6.5
Kenitra	Apartment	-1.5	-2.3	Tangier	Apartment	-3.5	-3.3
	House	-1.1	-1.0		House	0.9	-0.2
	Villa	-5.2	0.4		Villa	-	-
	Urban land	16.2	16.4		Urban land	0.2	-1.0
	Business premises	-9.9	1.6		Business premises	1.0	-7.5
	Office	-	-9.3		Office	5.6	-15.3
	Total	1.4	1.4		Total	-0.9	-1.9

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.