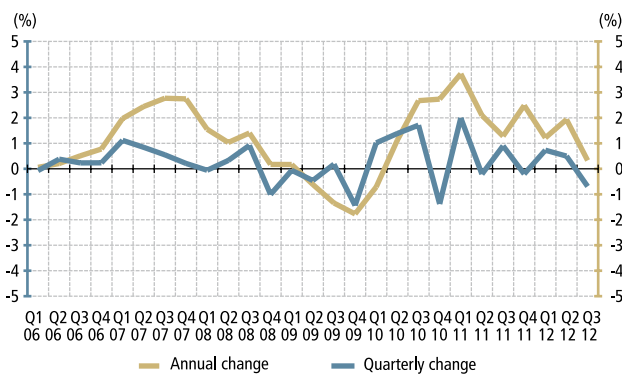


1. General trend of the real estate market in the third quarter of 2012

Prices - After a quarterly growth of 0.5 percent in the second quarter, real estate prices were down 0.7 percent in the third quarter, reflecting lower prices for all categories.

Year on year (YoY), prices remained almost stable, whereas they increased by 1.9 percent in the previous quarter. This change includes a decline of 0.4 percent in prices of residential property, an increase of 1.6 percent in prices of urban land and stagnation in those of commercial property. The largest decreases were recorded in the regions of Doukkala-Abda, Rabat-Salé-Zemmour-Zaer and Souss-Massa-Draa, while increases were observed in the regions of Chaouia-Ourdigha, Gharb-Chrarda-Beni Hssen, Fes-Boulmane and Marrakech-Tensift-El Haouz.

Real estate price index (REPI)



Volume - Data captured 35 days after the end of the third quarter 2012 show that sales of real estate property registered at the Land Registry Office declined by nearly 20 percent quarter on quarter (QoQ) and 11.8 percent YoY, reaching 22,443 transactions.

In short

- Quarterly decline of 0.7 percent, due to lower prices for all categories.
- Almost stable property prices in Q3 2012 YoY, after a rise of 1.9 percent.
- Decline in the trading volume by nearly 20 percent QoQ and 11.8 percent YoY.

REPI	Change (%)	
	Q3-12/ Q2-12	Q3-12/ Q3-11
Overall	-0.7 ↓	0.3 ↑
Residential	-0.8 ↓	-0.4 ↓
Apartments	-1.1 ↓	0.2 ↑
Houses	-1.0 ↓	-1.6 ↓
Villas	2.0 ↑	-6.3 ↓
Urban land	-0.4 ↓	1.6 ↑
Commercial property	-0.7 ↓	0.1 ↑
Business premises	0.3 ↑	0.1 ↑
Offices	-4.9 ↓	0.4 ↑

Number of transactions	Change (%)	
	Q3-12/ Q2-12	Q3-12/ Q3-11
Overall	-19.9 ↓	-11.8 ↓
Residential	-18.9 ↓	-10.0 ↓
Apartments	-18.9 ↓	-9.1 ↓
Houses	-9.5 ↓	-17.5 ↓
Villas	-42.7 ↓	-18.6 ↓
Urban land	-22.4 ↓	-17.3 ↓
Commercial property	-20.8 ↓	-9.7 ↓
Business premises	-17.8 ↓	-7.7 ↓
Offices	-40.5 ↓	-24.6 ↓

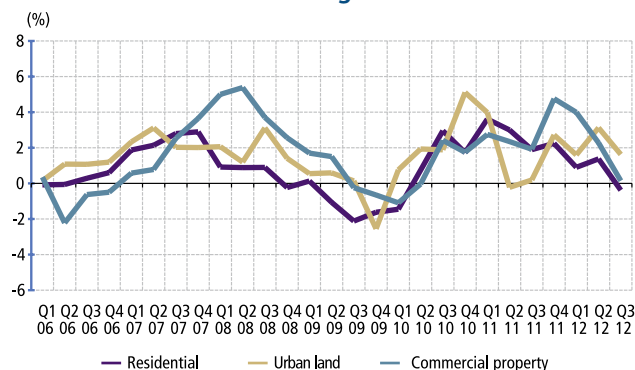
2. General trend by category

Residential property prices were down 0.8 percent in the third quarter, covering declines of 1.1 percent and 1 percent in the prices of apartments and houses, respectively, and an increase of 2 percent in those of villas. Prices of urban land and commercial property fell 0.4 percent and 0.7 percent, respectively. YoY, prices of houses and villas were down 1.6 percent and 6.3 percent, respectively, while those of land and offices rose by 1.6 percent and 0.4 percent. The prices of apartments and business premises remained virtually unchanged year on year.

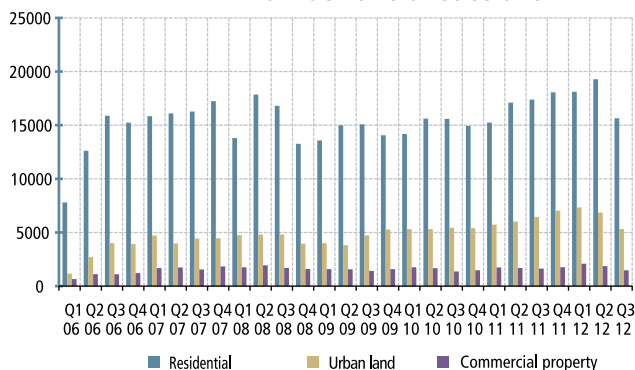
The volume of residential property transactions showed a quarterly decline of about 19 percent to 15,646 sales, because of the contraction in the number of sales of all categories. The volume of transactions involving commercial and land property shrank by 20.8 percent and 22.4 percent, respectively. YoY, transactions on residential property, land and commercial property decreased by 10 percent, 17.3 percent and 9.7 percent, respectively.

The structure of sales reveals that residential properties continue to represent nearly 70 percent of all real estate sales, with the predominance of apartments. Urban lands account for about 24 percent of the national market, while the share of commercial property transactions is around 6 percent.

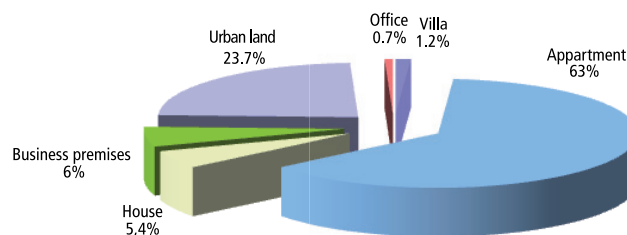
YoY change in the REPI



Number of transactions



Breakdown of real estate transactions

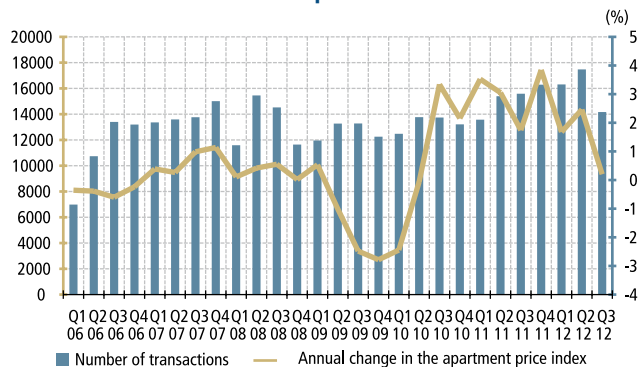


RESIDENTIAL PROPERTY

APARTMENTS: After increasing 1.5 percent, prices of apartments edged down 1.1 percent QoQ. On a YoY basis, they almost stagnated after rising 2.5 percent the previous quarter.

Representing about 70 percent of transactions during the quarter, the sales volume of apartments fell by nearly 19 percent QoQ and 9.1 percent YoY, standing at 14,166. By city, the largest sales volume was observed in Casablanca, Tangier and Marrakech.

Apartments sold



Apartments sold	Change (%)		
	Q3-12/ Q2-12	Q3-12/ Q3-11	
Price index	104.2	-1.1	0.2
Number of transactions	14 166	-18.9	-9.1

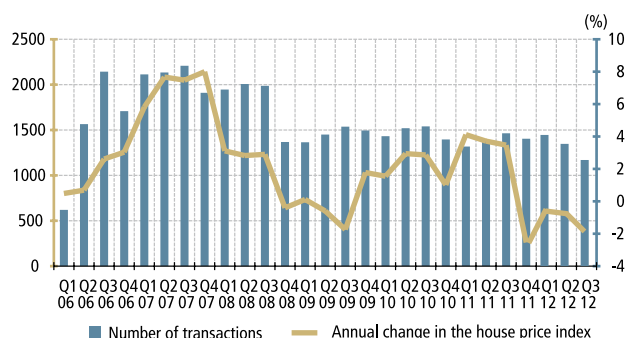
HOUSES: House prices fell by 1 percent in the third quarter, after rising 2.2 percent the previous quarter. YoY, prices decreased by 1.6 percent from 0.7 percent a quarter earlier, covering significant declines in the cities of Casablanca, El Jadida, Marrakech, Meknes and Oujda, and significant increases in Tangier and Rabat.

The number of transactions, which represents approximately 5.4 percent of the national market, reached 1208, down 9.5 percent from the previous quarter and 17.5 percent YoY.

VILLAS: The prices of villas rose 2 percent QoQ, but went down 6.3 percent YoY. By city, they recorded an annual increase of 8 percent in Kenitra and a decrease of 12.2 percent, 10.7 percent and 4 percent in Meknes, Casablanca and Marrakech, respectively.

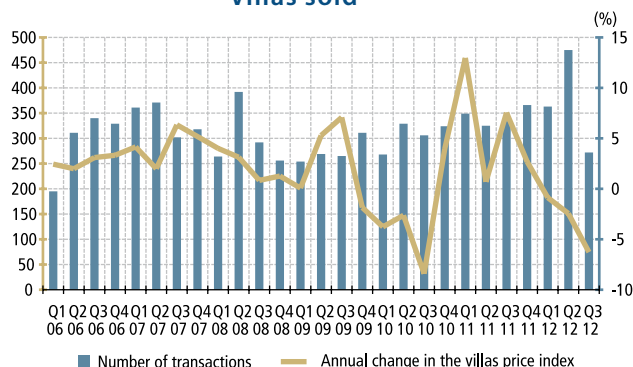
Transactions slumped 42.7 percent QoQ and 18.6 percent in a year, falling to 272 units.

Houses sold



Houses sold		Change (%)	
		Q3-12/ Q2-12	Q3-12/ Q3-11
Price index	116.2	-1.0	-1.6
Number of transactions	1 208	-9.5	-17.5

Villas sold



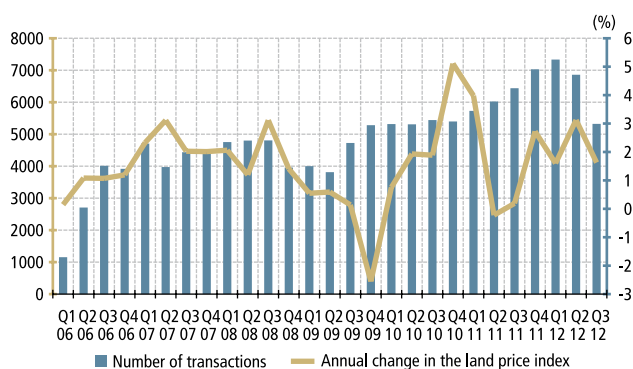
Villas sold		Change (%)	
		Q3-12/ Q2-12	Q3-12/ Q3-11
Price index	107.8	2.0	-6.3
Number of transactions	272	-42.7	-18.6

LAND

URBAN LAND: Urban land prices fell by 0.4 percent between the second and third quarter of 2012, but increased by 1.6 percent compared to the same period of the previous year.

With a domestic market share of about 24 percent, sales of urban land totaled 5323 transactions, down 22.4 percent QoQ and 17.3 percent YoY.

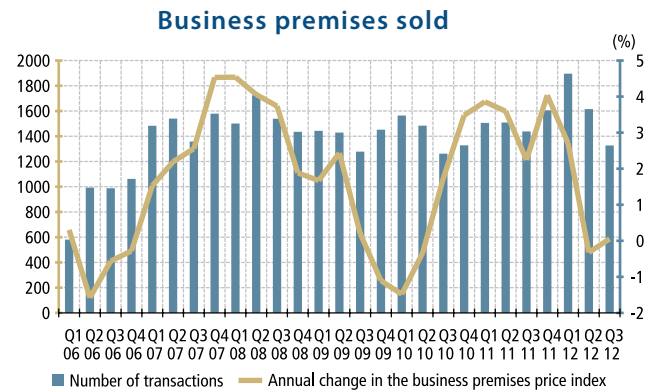
Urban land sold



Urban land sold		Change (%)	
		Q3-12/ Q2-12	Q3-12/ Q3-11
Price index	110.4	-0.4	1.6
Number of transactions	5 323	-22.4	-17.3

BUSINESS PREMISES : The prices of business premises virtually stagnated both on a quarterly and annual basis.

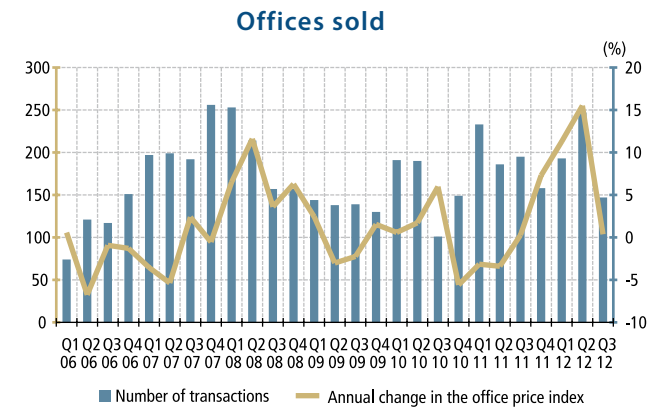
The volume of transactions decreased by 17.8 percent QoQ and 7.7 percent YoY to 1327 sales, accounting for about 6 percent of all real estate transactions.



Business premises sold	Change (%)	
	Q3-12/ Q2-12	Q3-12/ Q3-11
Price index	110.6	0.3
Number of transactions	1 327	-17.8

OFFICES : Prices of offices were down 4.9 percent from QoQ, but rose 0.4 percent YoY.

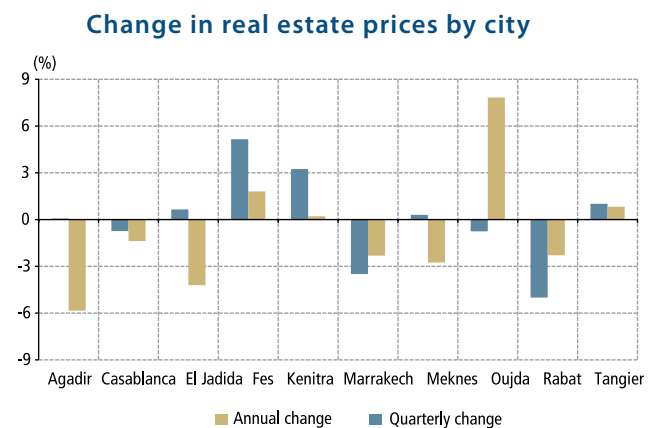
With a national market share of around 1 percent, the number of transactions reached 147 in the third quarter, down 40.5 percent QoQ and 24.6 percent YoY.



Offices sold	Change (%)	
	Q3-12/ Q2-12	Q3-12/ Q3-11
Price index	108.9	-4.9
Number of transactions	147	-40.5

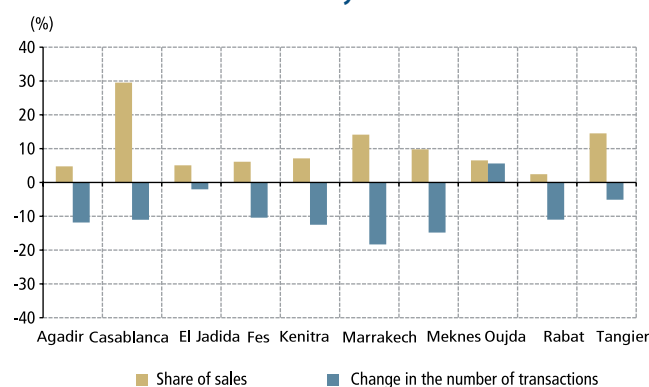
3. Trend by city

Prices - The breakdown of the real estate price index (REPI) by city in the third quarter highlights disparate developments YoY. Indeed, prices in Rabat, Marrakech, Oujda and Casablanca declined by 5 percent, 3.5 percent, 0.8 percent and 0.7 percent, respectively. However, in other cities they recorded increases ranging from 0.3 percent in Meknes to 5.2 percent in Fes. In Agadir, real estate prices did not change significantly on a year-on-year basis.



Volume: The number of transactions was broadly down QoQ. With the exception of Oujda, where the number of sales increased 5.6 percent from one quarter to the next, declines ranged from 2 percent in El Jadida to 18.3 percent in Marrakech. The largest volume of sales was registered in Casablanca with a share of 29.5 percent, Tangier with 14.5 percent and Marrakech with 14.1 percent.

Breakdown and quarterly change in sales by city



City	Real estate category	REPI	Change (%)	
			Q3-12/ Q2-12	Q3-12/ Q3-11
Agadir	Apartments	107.0	-1.1	-0.4
	Houses	115.2	-3.2	0.0
	Villas	-	-	-
	Urban land	124.1	-8.6	-1.4
	Business premises	111.6	-13.7	4.3
	Office	-	-	-
	Overall	110.8	-5.8	0.1
Casablanca	Apartments	106.1	-0.5	0.4
	Houses	108.3	-3.4	-6.8
	Villas	106.1	-18.0	-10.7
	Urban land	111.6	-7.6	-10.3
	Business premises	116.6	3.1	3.0
	Office	106.2	1.1	9.2
	Overall	106.9	-1.4	-0.7
El Jadida	Apartments	95.3	-1.5	11.9
	Houses	107.8	-13.5	-9.3
	Villas	-	-	-
	Urban land	103.1	-9.5	-5.3
	Business premises	92.2	-13.7	-7.6
	Office	-	-	-
	Overall	96.1	-4.2	0.7
Fes	Apartments	118.4	-1.3	2.7
	Houses	-	-	-
	Villas	-	-	-
	Urban land	102.5	2.8	7.2
	Business premises	114.6	2.1	-1.4
	Office	-	-	-
	Overall	110.2	1.8	5.2
Kenitra	Apartments	102.6	0.7	3.8
	Houses	109.6	-0.4	-3.4
	Villas	129.5	19.1	8.0
	Urban land	133.4	-4.4	8.0
	Business premises	118.0	-1.9	-0.2
	Office	115.6	-17.8	10.3
	Overall	108.5	0.2	3.2

City	Real estate category	REPI	Change (%)	
			Q3-12/ Q2-12	Q3-12/ Q3-11
Marrakech	Apartments	91.1	-4.3	-4.1
	Houses	103.1	-0.8	-7.5
	Villas	99.5	-10.7	-4.0
	Urban land	125.4	3.5	0.9
	Business premises	110.9	0.1	5.5
	Office	-	-	-
	Overall	100.7	-2.3	-3.5
Meknes	Apartments	113.8	-1.4	-0.5
	Houses	113.1	-3.8	-5.9
	Villas	117.9	11.1	-12.2
	Urban land	-	-	-
	Business premises	116.1	-0.6	5.2
	Office	-	-	-
	Overall	115.8	-2.8	0.3
Oujda	Apartments	107.1	1.6	-9.5
	Houses	113.8	14.5	-5.2
	Villas	-	-	-
	Urban land	122.0	3.0	2.7
	Business premises	121.4	-5.8	-1.0
	Office	-	-	-
	Overall	117.9	7.8	-0.8
Rabat	Apartments	113.3	-1.1	-2.7
	Houses	110.3	0.1	2.5
	Villas	-	-	-
	Urban land	115.4	-16.9	-14.7
	Business premises	124.2	16.2	15.4
	Office	-	-	-
	Overall	111.4	-2.3	-5.0
Tangier	Apartments	125.7	0.5	5.0
	Houses	126.3	4.8	7.9
	Villas	-	-	-
	Urban land	100.8	-0.7	-2.7
	Business premises	137.5	15.0	12.1
	Office	-	-	-
	Overall	108.6	0.8	1.0

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

4. Trend by region

Region	Real estate category	REPI	Change (%)		Region	Real estate category	REPI	Change (%)	
			Q3-12/ Q2-12	Q3-12/ Q3-11				Q3-12/ Q2-12	Q3-12/ Q3-11
Chaouia-Ourdigha	Residential	121.8	1.9	6.0	Marrakech-Tensift-El Haouz	Residential	95.8	-2.5	2.9
	Urban land	106.9	5.0	2.0		Urban land	126.7	3.5	0.8
	Commercial property	-	-	-		Commercial property	104.4	-7.2	-2.3
	Overall	108.6	3.6	3.3		Overall	100.2	-1.9	2.2
Doukkala-Abda	Residential	99.6	-9.5	-8.6	Oriental	Residential	113.5	9.8	-5.3
	Urban land	110.4	-8.8	-3.2		Urban land	119.1	2.0	0.0
	Commercial property	97.3	-8.7	-3.6		Commercial property	114.9	-7.8	-
	Overall	101.3	-9.3	-7.7		Overall	117.1	5.0	-2.2
Fès-Boulmane	Residential	117.5	-0.2	2.4	Oued Eddahab-Lagouira	Residential	108.0	0.5	-0.8
	Urban land	107.0	2.6	2.9		Urban land	-	-	-
	Commercial property	123.4	6.3	4.7		Commercial property	-	-	-
	Overall	110.9	1.4	2.6		Overall	108.1	0.7	-0.7
Gharb-Chrarda-Beni-Hsen	Residential	107.3	-0.3	1.5	Rabat-Salé-Zemmour-Zaër	Residential	117.4	-2.0	-2.4
	Urban land	134.8	-0.1	9.6		Urban land	121.1	-5.5	-3.6
	Commercial property	116.3	-6.3	-1.4		Commercial property	100.8	-9.6	-
	Overall	112.1	-0.2	2.8		Overall	116.5	-3.1	-3.4
Grand Casablanca	Residential	107.9	-1.8	-0.6	Souss-Massa-Draâ	Residential	108.9	-3.1	-4.8
	Urban land	114.5	-6.4	-9.1		Urban land	126.3	-2.7	-1.0
	Commercial property	114.7	0.3	3.2		Commercial property	113.0	-10.5	3.4
	Overall	108.8	-2.0	-1.0		Overall	114.9	-3.5	-3.3
Guelmim-Es Smara	Residential	117.4	4.4	-0.2	Tadla-Azilal	Residential	120.1	-1.6	-1.0
	Urban land	-	-	-		Urban land	116.7	6.0	3.5
	Commercial property	-	-	-		Commercial property	-	-	-
	Overall	117.4	4.4	-0.2		Overall	117.5	1.0	0.9
Laâyoune-Boujdour-Sakia El Hamra	Residential	101.3	6.3	-0.2	Tanger-Tétouan	Residential	122.2	1.5	3.6
	Urban land	-	-	-		Urban land	103.1	-1.1	-3.2
	Commercial property	-	-	-		Commercial property	140.2	14.6	12.9
	Overall	101.4	6.2	-0.1		Overall	110.7	0.1	0.1
Meknes-Tafilalt	Residential	114.1	-1.8	-5.4	Taza-Al Hoceima-Taounate	Residential	109.0	-7.2	-3.4
	Urban land	127.0	0.7	7.2		Urban land	132.9	8.3	7.0
	Commercial property	118.0	-2.0	2.0		Commercial property	119.5	8.0	-
	Overall	119.6	-0.6	0.4		Overall	121.9	1.6	1.7

TECHNICAL NOTICE

The real estate price indexes (REPI) were jointly constructed by Bank Al-Maghrib and the National 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.

The REPI capture changes in residential property prices nationwide, by region and by major cities in the three major types, namely residential property, urban lands and commercial property, as well as in the six 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 taken 35 days after 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, regions 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.

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