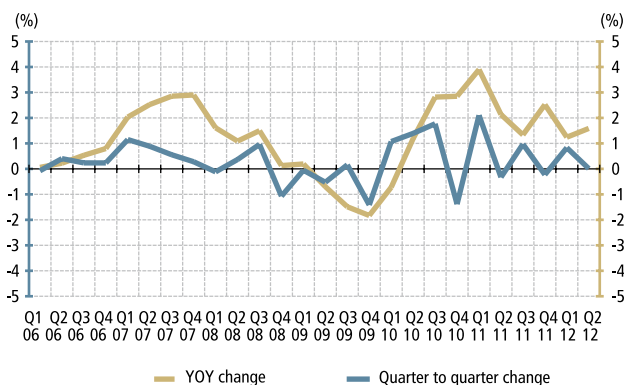


1. General trend of the real estate market in the second quarter of 2012

Prices - After a quarterly growth of 0.8 percent, real estate prices stagnated in the second quarter of 2012. This trend reflects a 0.9 percent increase in residential property prices and respective declines of 1.5 percent and 2 percent in land and commercial properties. Year-on-year, these prices rose 1.6 percent, i.e. a rate higher than the 1.2 percent recorded in the previous quarter.

By region, year-on-year trends were disparate. The most important decreases were recorded in the regions Doukkala-Abda, Rabat-Salé-Zemmour-Zaer and Souss-Massa-Draa, while significant increases were observed in the regions of Chaouia-Ourdigha, Gharb-Chrarda-Beni-Hssen, Fez-Boulemane and Marrakech-Tensift-El Haouz.

Real estate price index (REPI)



Volume - According to the data captured 35 days after the end of the 2nd quarter 2012, sales of real property registered at the Land Registry Office declined by 0.8 percent from one quarter to the next, while they increased by 10.1 percent year on year to 28,123 transactions.

In short

- Stability of real estate prices during the second quarter of 2012, on a quarterly basis, after their 0.8 percent rise.
- Annual growth of 1.6 percent, reflecting the price rise in all categories.
- Trading volume decreased by 0.8 percent from one quarter to the next and increased by 10.1 percent year on year.

REPI	Change (%)	
	Q2-12/ Q1-12	Q2-12/ Q2-11
Overall	0.0 ↔	1.6 ↑
Residential	0.9 ↑	1.0 ↑
Apartments	1.4 ↑	2.3 ↑
Houses	1.2 ↑	-1.8 ↓
Villas	-10.1 ↓	-2.6 ↓
Urban land	-1.5 ↓	3.0 ↑
Commercial property	-2.0 ↓	1.6 ↑
Business premises	-2.3 ↓	-0.6 ↓
Offices	-0.1 ↓	13.5 ↑

Number of transactions	Change (%)	
	Q2-12/ Q1-12	Q2-12/ Q2-11
Overall	-0.8 ↓	10.1 ↑
Residential	3.5 ↑	9.3 ↑
Apartments	3.8 ↑	10.0 ↑
Houses	-7.1 ↓	-6.1 ↓
Villas	28.3 ↑	40.5 ↑
Urban land	-8.1 ↓	12.7 ↑
Commercial property	-11.9 ↓	9.4 ↑
Business premises	-16.2 ↓	5.8 ↑
Offices	30.7 ↑	39.0 ↑

2. General trend by category

During the second quarter of 2012, residential property prices remained unchanged from one quarter to the next. This development includes respective increases of 1.4 percent and 1.2 percent in apartments and houses prices and a decline of 10.1 percent in those of villas. As for prices of lands and commercial properties, they dropped by 1.5 percent and 2 percent. In one year, the prices of apartments, lands, and offices, which were up by 2.3 percent, 3 percent and 13.5 percent respectively, more than offset the decrease recorded in the prices of houses, villas, and business premises, estimated at 1.8 percent, 2.6 percent, and 0.6 percent respectively.

Regarding the volume of transactions, the sales of residential property rose by 3.5 percent from the previous quarter to 19,244, mainly owing to the rise of transactions in apartments and villas by 3.8 percent and 28.3 percent respectively. On the contrary, sales of commercial and land property fell respectively by 11.9 percent and 8.1 percent. Year on year, the number of transactions increased for all categories of real estate properties, except for houses, which decreased by 6.1 percent.

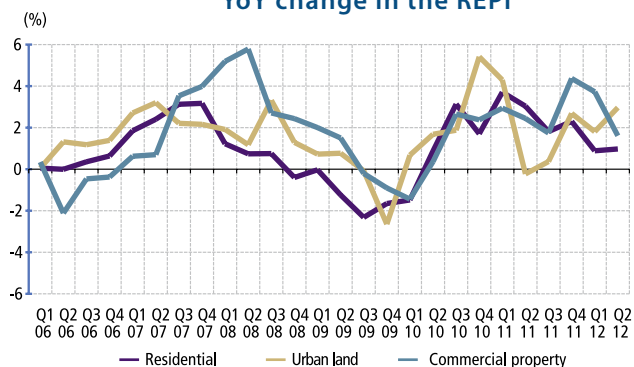
In terms of sales structure, residential properties continue to account for more than 67 percent of all real estate property sales, with the predominance of apartments. Urban lands represent about 25 percent of the domestic market, while transactions on commercial properties make up around 7 percent.

RESIDENTIAL PROPERTY

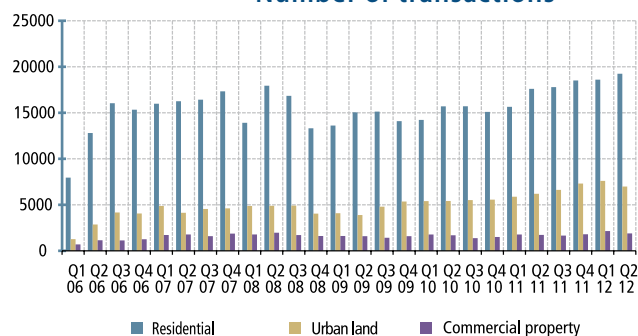
APARTMENTS: After their decline by 0.6 percent, apartment prices grew at a rate of 1.4 percent from one quarter to the next. Year on year, they were up 2.3 percent, as opposed to 1.8 percent one quarter before. This rise concerned all cities, except for Marrakech, Oujda and Rabat.

The volume of apartment sales, which accounted for nearly 61 percent of transactions in this quarter, registered a 3.8 percent drop quarter to quarter and a 10 percent increase year on year, reaching 17,454 units. By city, the most important sales were recorded in Agadir, Kenitra, and Marrakech.

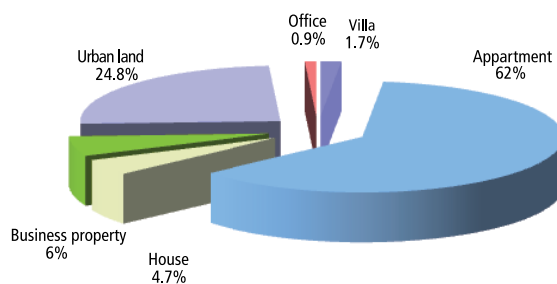
YoY change in the REPI



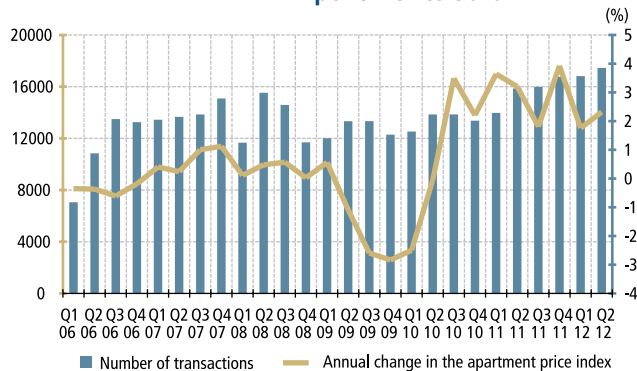
Number of transactions



Breakdown of real estate transactions by category



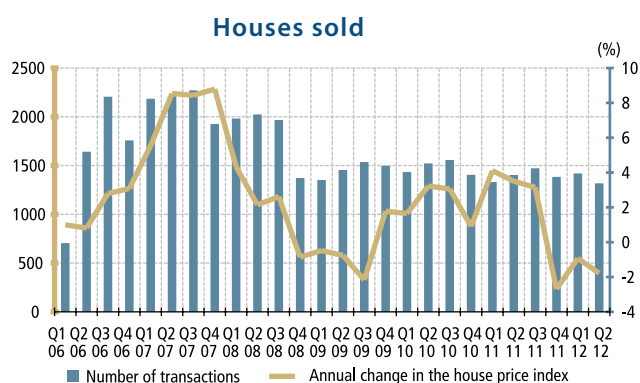
Apartments sold



Apartments sold	Change (%)		
	Q2-12/ Q1-12	Q2-12/ Q2-11	
Price index	105.3	1.4	2.3
Number of transactions	17 454	3.8	10.0

HOUSES: House prices rose 1.2 percent in the second quarter, as against 4 percent one quarter before. On a year-on-year basis, these prices shrank by 1.8 percent, i.e. at a higher pace compared to the 0.9 percent recorded in the last quarter. This evolution reflects marked decreases in the cities of El Jadida, Casablanca, Marrakech, Meknes, and Oujda, and important rises in the cities of Tangier and Rabat

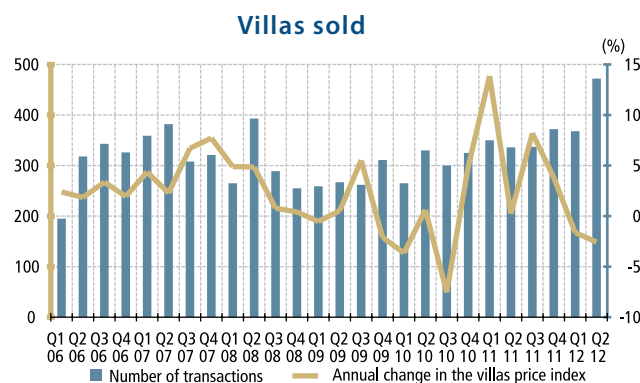
As for the number of transactions, which represents around 5 percent of the domestic market, it reached 1,318, up 1.2 percent compared to the preceding quarter and down 1.8 percent year on year.



Houses sold	Change (%)		
	Q2-12/ Q1-12	Q2-12/ Q2-11	
Price index	116.2	1.2	-1.8
Number of transactions	1 318	-7.1	-6.1

VILLAS: Prices of villas decreased by 10.1 percent from one quarter to the next and by 2.6 percent in one year. By city, these prices rose annually by 8.7 percent in Kenitra and fell by 11.7 percent, 10 percent, and 3.4 percent in Meknes, Casablanca, and Marrakech respectively.

Concerning the number of transactions, they rose by 28.3 percent from one quarter to the next and by 40.5 percent in one year, to 472 units.

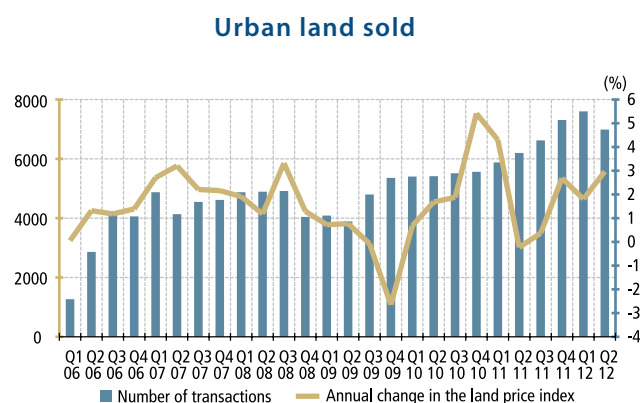


Villas sold	Change (%)		
	Q2-12/ Q1-12	Q2-12/ Q2-11	
Price index	105.6	-10.1	-2.6
Number of transactions	472	28.3	40.5

LAND

URBAN LAND: Prices of urban land recorded a quarterly drop of 1.5 percent, while they grew by 3 percent compared to the same period of the year before.

With a domestic market share of about 25 percent, sales of urban land totaled 6,986 transactions, down 8.1 percent quarter on quarter and up 12.7 percent year on year.



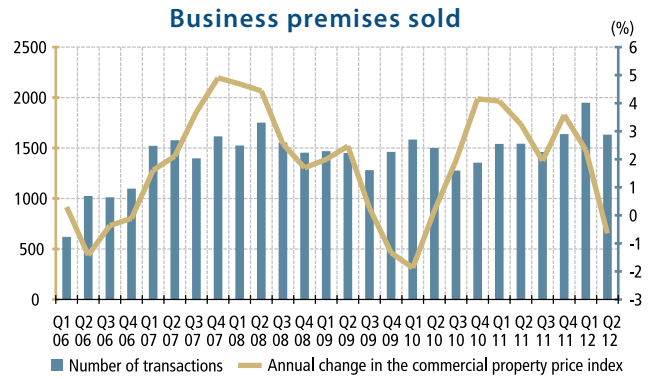
Urban land sold	Change (%)		
	Q2-12/ Q1-12	Q2-12/ Q2-11	
Price index	111.0	-1.5	3.0
Number of transactions	6 986	-8.1	12.7

BUSINESS PREMISES : Prices of business premises were down 2.3 percent from the one quarter to the next and by 0.6 percent year on year.

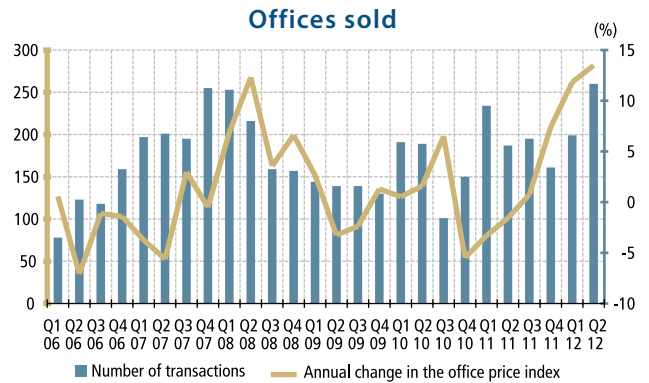
The volume of transactions reached 1,633 sales, or around 6 percent of all real estate, down 16.2 percent quarter on quarter and up 5.8 percent year on year.

OFFICES : Offices: Prices of offices almost stagnated quarter on quarter, after they rose 13.5 percent year on year.

At the same time, accounting for almost 1 percent of the domestic market, the volume of transactions reached 260 in the second quarter, up 30.7 percent from one quarter to the next and 39 percent in one year.



Business premises sold	Change (%)	
	Q2-12/ Q1-12	Q2-12/ Q2-11
Price index	110.7	-2.3
Number of transactions	1 633	-16.2

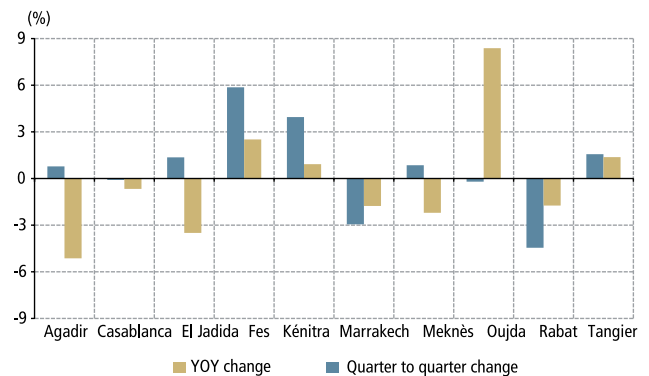


Offices sold	Change (%)	
	Q2-12/ Q1-12	Q2-12/ Q2-11
Price index	114.7	-0.1
Number of transactions	260	39.0

3. Trend by city

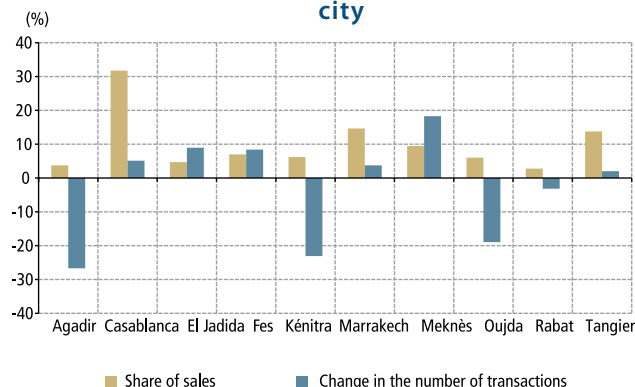
Prices - Breakdown of the real estate price index (REPI) by city in the second quarter of 2012 broadly highlights a year-on-year increase in property prices. Indeed, with the exception of Rabat and Marrakech, where prices fell 4.4 percent and 2.9 percent respectively, and of Oujda and Casablanca where they stagnated, prices in other cities increased within a range of 0.8 percent in Agadir to 5.8 percent in Fes.

Change in real estate prices by city



Volume: The number of transactions generally increased quarter on quarter. These rises ranged between 2 percent in Tangier and 18.3 percent in Meknes, while the decrease was reported in Agadir, Kenitra, Oujda and Rabat. Furthermore, the share of real estate property in the number of transactions reached 31.7 percent in Casablanca, 14.6 percent in Marrakech, and 13.8 percent in Tangier.

Breakdown and quarterly change in sales by city



City	Real estate category	REPI	Change (%)	
			Q2-12/ Q1-12	Q2-12/ Q2-11
Agadir	Apartments	108.4	-0.3	0.3
	Houses	116.6	-2.5	0.7
	Villas	-	-	-
	Urban land	125.2	-7.9	-0.7
	Business premises	112.8	-12.9	5.0
	Office	-	-	-
	Overall	112.1	-5.1	0.8
Casablanca	Apartments	107.6	0.2	1.1
	Houses	109.6	-2.7	-6.1
	Villas	107.2	-17.3	-10.0
	Urban land	112.7	-6.9	-9.6
	Business premises	118.0	3.8	3.7
	Office	107.6	1.8	9.9
	Overall	108.3	-0.7	0.0
El Jadida	Apartments	96.6	-0.8	12.6
	Houses	109.2	-12.8	-8.5
	Villas	-	-	-
	Urban land	104.3	-8.8	-4.6
	Business premises	93.6	-13.0	-6.8
	Office	-	-	-
	Overall	97.2	-3.5	1.4
Fes	Apartments	119.6	-0.6	3.4
	Houses	-	-	-
	Villas	-	-	-
	Urban land	103.7	3.5	8.0
	Business premises	116.1	2.8	-0.7
	Office	-	-	-
	Overall	111.3	2.5	5.9
Kenitra	Apartments	103.9	1.4	4.5
	Houses	110.7	0.3	-2.7
	Villas	131.0	19.9	8.7
	Urban land	134.9	-3.7	8.7
	Business premises	119.4	-1.2	0.5
	Office	117.1	-17.0	11.0
	Overall	109.7	0.9	4.0

City	Real estate category	REPI	Change (%)	
			Q2-12/ Q1-12	Q2-12/ Q2-11
Marrakech	Apartments	92.5	-3.8	-3.5
	Houses	104.5	-0.2	-7.0
	Villas	100.6	-10.2	-3.4
	Urban land	126.5	4.1	1.4
	Business premises	112.0	0.7	6.0
	Office	-	-	-
	Overall	101.7	-1.8	-2.9
Meknes	Apartments	115.1	-0.8	0.0
	Houses	114.4	-3.2	-5.3
	Villas	119.3	11.6	-11.7
	Urban land	-	-	-
	Business premises	117.6	0.0	5.7
	Office	-	-	-
	Overall	117.0	-2.2	0.9
Oujda	Apartments	108.1	2.1	-8.9
	Houses	115.3	15.1	-4.7
	Villas	-	-	-
	Urban land	123.1	3.5	3.3
	Business premises	122.6	-5.3	-0.4
	Office	-	-	-
	Overall	119.3	8.4	-0.2
Rabat	Apartments	114.7	-0.5	-2.1
	Houses	111.3	0.6	3.1
	Villas	-	-	-
	Urban land	116.7	-16.4	-14.1
	Business premises	125.4	16.8	15.9
	Office	-	-	-
	Overall	112.9	-1.7	-4.5
Tangier	Apartments	127.1	1.1	5.5
	Houses	127.6	5.3	8.4
	Villas	-	-	-
	Urban land	102.3	-0.2	-2.2
	Business premises	138.8	15.5	12.7
	Office	-	-	-
	Overall	109.9	1.4	1.6

(-): 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 (%)	
			Q2-12/ Q1-11	Q2-12/ Q2-11				Q2-12/ Q1-11	Q2-12/ Q2-11
Chaouia-Ourdigha	Residential	123.3	2.9	7.0	Marrakech-Tensift-El Haouz	Residential	96.9	-1.5	3.9
	Urban land	107.9	6.0	2.9		Urban land	128.0	4.5	1.8
	Commercial property	-	-	-		Commercial property	105.7	-6.1	-1.2
	Overall	109.8	4.7	4.4		Overall	101.2	-0.8	3.3
Doukkala-Abda	Residential	100.7	-8.5	-7.5	Oriental	Residential	114.9	10.8	-4.2
	Urban land	111.7	-7.7	-2.2		Urban land	120.6	3.0	1.1
	Commercial property	98.3	-7.8	-2.7		Commercial property	116.1	-6.9	-10.2
	Overall	102.8	-8.4	-6.6		Overall	118.3	6.1	-1.1
Fes-Boulmane	Residential	118.6	0.9	3.4	Oued Eddahab-lagouira	Residential	109.4	1.5	0.3
	Urban land	108.1	3.6	3.9		Urban land	-	-	-
	Commercial property	124.7	7.3	5.7		Commercial property	-	-	-
	Overall	112.0	2.5	3.6		Overall	109.4	1.6	0.3
Gharb-Chrarda-Beni Hssen	Residential	108.8	0.7	2.4	Rabat-Salé-Zemmour-Zaër	Residential	118.6	-0.9	-1.5
	Urban land	136.0	0.8	10.6		Urban land	122.2	-4.4	-2.5
	Commercial property	117.5	-5.3	-0.5		Commercial property	102.3	-8.6	-10.0
	Overall	113.4	0.8	3.7		Overall	117.9	-2.1	-2.4
Grand Casablanca	Residential	109.4	-0.9	0.3	Souss-Massa-Draâ	Residential	110.3	-2.2	-3.7
	Urban land	115.6	-5.4	-8.0		Urban land	127.7	-1.7	0.0
	Commercial property	115.8	1.5	4.2		Commercial property	114.2	-9.5	4.4
	Overall	110.2	-1.0	0.0		Overall	116.0	-2.5	-2.4
Guelmim-Es Smara	Residential	118.8	5.5	0.8	Tadla-Azilal	Residential	121.4	-0.6	0.0
	Urban land	-	-	-		Urban land	118.1	7.1	4.5
	Commercial property	-	-	-		Commercial property	-	-	-
	Overall	118.8	5.5	0.8		Overall	118.7	2.0	2.0
Laâyoune-Boujdour-Sakia El Hamra	Residential	102.5	7.2	0.9	Tangier-Tetouan	Residential	123.6	2.5	4.7
	Urban land	-	-	-		Urban land	104.2	0.0	-2.2
	Commercial property	-	-	-		Commercial property	141.5	15.5	13.9
	Overall	102.5	7.2	0.9		Overall	112.1	1.1	1.2
Meknes-Tafilalt	Residential	115.5	-0.8	-4.5	Taza-Al Hoceima-Taounate	Residential	110.0	-6.2	-2.5
	Urban land	128.2	1.7	8.1		Urban land	134.4	9.3	7.9
	Commercial property	119.1	-1.0	3.1		Commercial property	120.8	9.0	-12.0
	Overall	121.0	0.3	1.4		Overall	123.0	2.6	2.6

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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