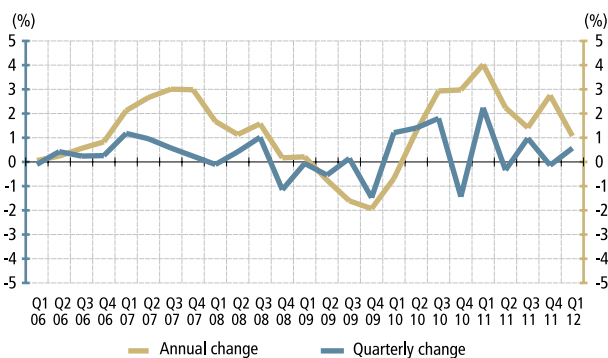


## 1. General trend of the real estate market in the first quarter of 2012

**Prices** - After virtually stagnating in the fourth quarter of 2011, real estate asset prices showed a slight quarterly increase of 0.6 percent in the first quarter 2012. This trend masks virtual stability in residential and commercial property prices and a rise of 1.7 percent in land prices. On an annual basis, prices were up 1.1 percent, from 2.8 percent the previous quarter.

Year-on-year price declines were reported in the regions of Doukkala-Abda, Rabat-Salé-Zemmour-Zaer and Souss-Massa-Draa, while increases were observed in the regions of Chaouia-Ourdigha, Fes-Boulmane, Gharb-Chrarda-Beni Hssen and Marrakech-Tensift-El Haouz. In other regions, prices did not change significantly.

Real estate price index (REPI)



**Volume** - Data captured 35 days after the end of the first quarter 2012 show that sales of real estate property registered at the Land Registry Office fell at a quarterly rate of 1 percent, but increased 18.4 percent year on year, totaling 27,670 transactions.

### In short

- Quarterly increase of 0.6 percent in property prices in Q1 2012, driven mainly by the 1.7 percent rise in land prices.
- Annual growth of 1.1 percent, reflecting price appreciation in all categories.
- Trading volume fell at a quarterly rate of 1 percent and rose 18.4 percent year on year.

REPI	Change (%)	
	Q1-12/ Q4-11	Q1-12/ Q1-11
<b>Overall</b>	0.6 ↑	1.1 ↑
<b>Residential</b>	0.0 →	0.7 ↑
Apartments	-0.7 ↓	1.9 ↑
Houses	3.2 ↑	-2.0 ↓
Villas	-2.1 ↓	-5.2 ↓
<b>Urban land</b>	1.7 ↑	1.9 ↑
<b>Commercial property</b>	-0.1 ↓	1.9 ↑
Business premises	-0.3 ↓	0.6 ↑
Offices	0.8 ↑	9.3 ↑

Number of transactions	Change (%)	
	Q1-12/ Q4-11	Q1-12/ Q1-11
<b>Overall</b>	-1.0 ↓	18.4 ↑
<b>Residential</b>	-3.8 ↓	15.4 ↑
Apartments	-4.1 ↓	16.8 ↑
Houses	1.4 ↑	4.4 ↑
Villas	-5.8 ↓	-1.1 ↓
<b>Urban land</b>	1.4 ↑	26.0 ↑
<b>Commercial property</b>	17.8 ↑	19.6 ↑
Business premises	17.9 ↑	25.3 ↑
Offices	16.5 ↑	-18.0 ↓

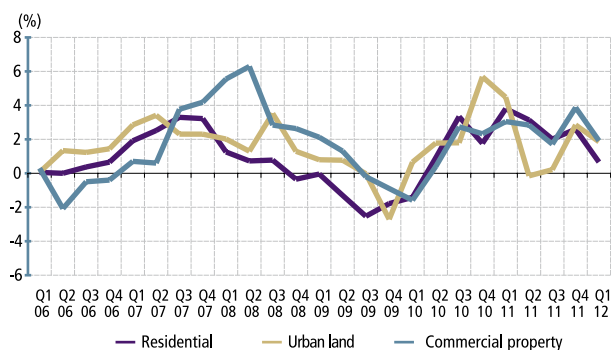
## 2. General trend by category

On a quarterly basis, residential property prices stagnated during the first quarter of 2012. This development includes a 3.2 percent increase in house prices and a decline of 0.7 percent and 2.1 percent in those of apartments and villas, respectively. Land prices rose 1.7 percent, while those of commercial properties did not change markedly. Year on year, prices of all real estate categories were up, with the exception of those of houses and villas which were down 2 percent and 5.2 percent, respectively.

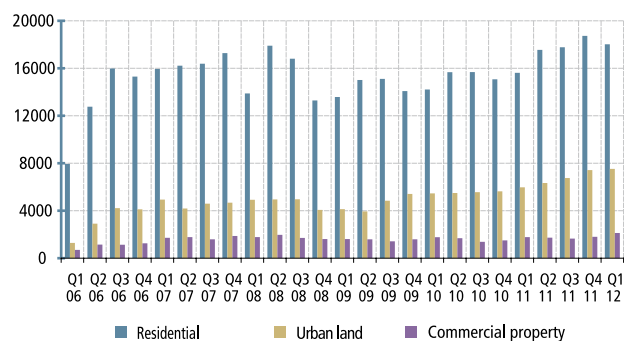
The volume of residential property transactions fell at a quarterly rate of 3.8 percent to 18,022. This decrease particularly concerned apartments and villas with a decline of 4.1 percent and 5.8 percent, respectively. However, the volume of transactions on commercial and land property moved up 17.8 percent and 1.4 percent, respectively. Year on year, all real estate categories recorded higher sales, except for villas and offices whose sales dropped 18 percent and 1.1 percent, respectively.

The breakdown of transactions shows that residential properties continue to account for 65 percent of all sales, with the predominance of apartments. Urban lands represent about 27 percent of the domestic market, while transactions on commercial properties make up around 7.7 percent.

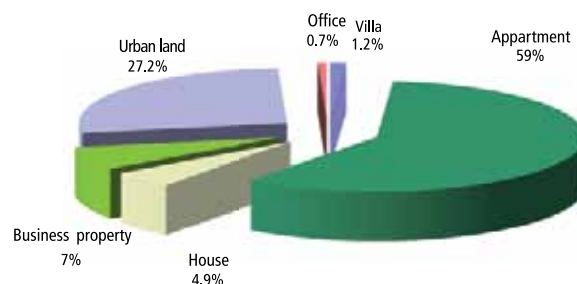
YoY change in the REPI



Number of transactions



Breakdown of real estate transactions

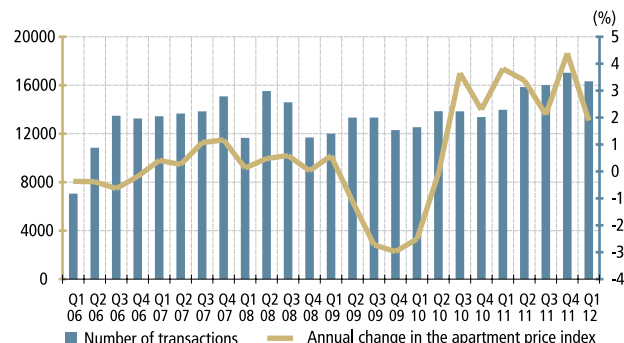


### RESIDENTIAL PROPERTY

**APARTMENTS:** After edging up 0.4 percent, apartment prices fell 0.7 percent quarter on quarter. On an annual basis, they rose 1.9 percent, from 4.4 percent. Price rises were reported in all cities, with the exception of Marrakech, Oujda and Rabat, where prices declined.

Representing approximately 59 percent of transactions during the quarter, the volume of apartment sales dropped 4.1 percent quarter on quarter and was up 16.8 percent year on year, totaling 16,324 units. By city, the largest sales volume was observed in Casablanca, Tangier and Marrakech.

Apartments sold



Apartments sold	Change (%)		
	Q1-12/ Q4-11	Q1-12/ Q1-11	
Price index	104.3	-0.7	1.9
Number of transactions	16,324	-4.1	16.8

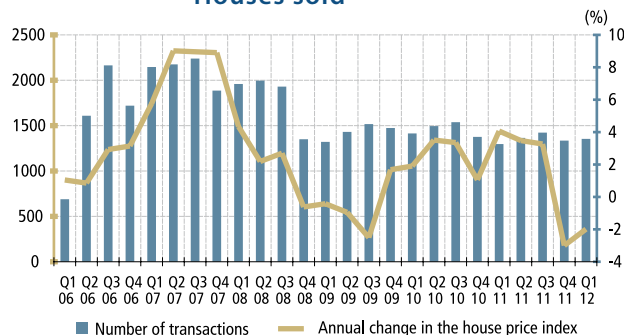
**HOUSES:** House prices rose 3.2 percent in Q1 2012, after 6.8 percent the previous quarter. Year on year, they shrank 2 percent from 3 percent a quarter earlier, reflecting significant declines in the cities of Oujda, El Jadida and Casablanca as well as a marked increase in Rabat and Tangier.

House sales, which account for nearly 5 percent of the domestic market, totaled 1,354 transactions, up 1.4 percent from the previous quarter and 4.4 percent from the same period of last year.

**VILLAS:** Prices for villas fell at a quarterly rate of 2.1 percent and an annual rate of 5.2 percent. They registered a year-on-year increase of 8.1 percent in Kenitra and a decrease of 11.4 percent, 9.3 percent and 3.4 percent in Meknes, Casablanca and Marrakech, respectively.

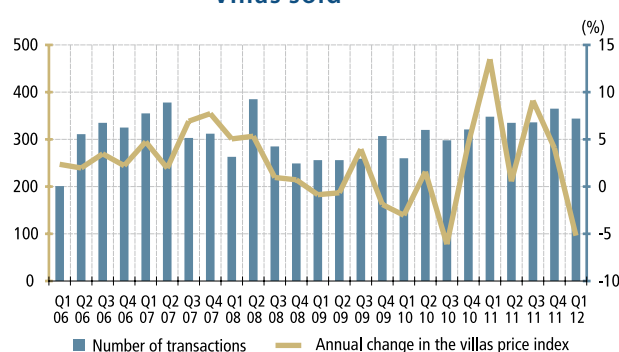
Sales of villas were down 5.8 percent quarter on quarter and 1.1 percent year on year, reaching 344 units.

Houses sold



Houses sold	Change (%)		
	Q1-12/ Q4-11	Q1-12/ Q1-11	
Price index	114.2	3.2	-2.0
Number of transactions	1,354	1.4	4.4

Villas sold



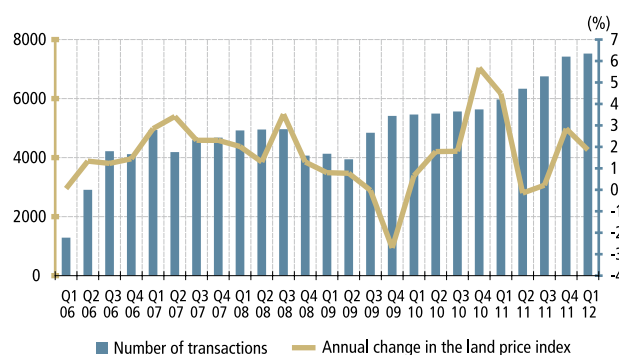
Villas sold	Change (%)		
	Q1-12/ Q4-11	Q1-12/ Q1-11	
Price index	113.8	-2.1	-5.2
Number of transactions	344	-5.8	-1.1

LAND

**URBAN LAND:** In the first quarter of 2012, urban land prices rose 1.7 percent from the previous quarter and 1.9 percent from the same period of last year.

With a domestic market share of about 27 percent, sales of urban land totaled 7,525 transactions, up 1.4 percent quarter on quarter and 26 percent year on year.

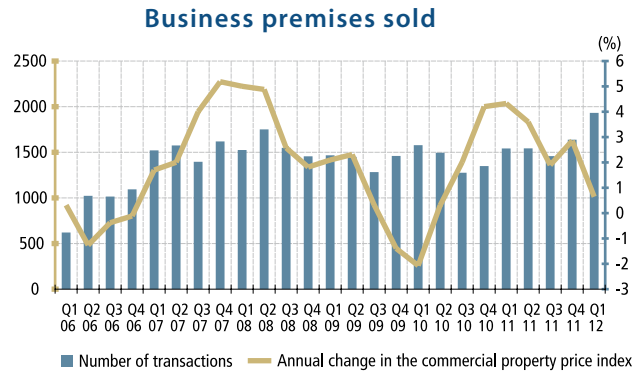
Urban land sold



Urban land sold	Change (%)		
	Q1-12/ Q4-11	Q1-12/ Q1-11	
Price index	113.3	1.7	1.9
Number of transactions	7,525	1.4	26.0

**BUSINESS PREMISES** : Prices of business premises edged down 0.3 percent from the previous quarter but rose 0.6 percent from the same period of last year.

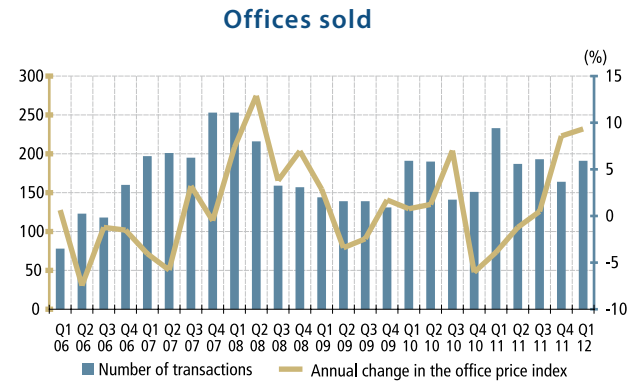
The volume of transactions reached 1,932 sales, or about 7 percent of all real estate, up 17.9 percent quarter on quarter and 25.3 percent year on year.



Business premises sold	Change (%)		
	Q1-12/ Q4-11	Q1-12/ Q1-11	
Price index	112.1	-0.3	0.6
Number of transactions	1,932	17.9	25.3

**OFFICES** : Prices for offices rose 0.8 percent quarter on quarter and 9.3 percent year on year.

At the same time, accounting for almost 1 percent of the national market, the volume of transactions reached 191 in the first quarter 2012, up 16.5 percent from the previous quarter and down 18 percent from the same period of last year.

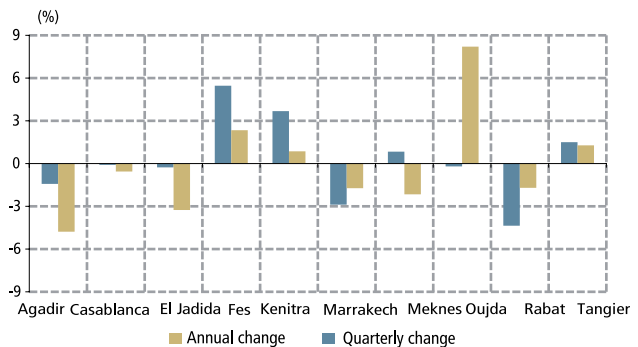


Offices sold	Change (%)		
	Q1-12/ Q4-11	Q1-12/ Q1-11	
Price index	112.2	0.8	9.3
Number of transactions	191	16.5	-18.0

### 3. Trend by city

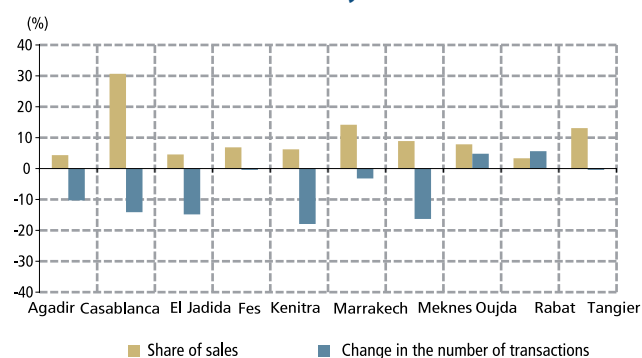
**Prices** - The breakdown of the real estate price index (REPI) by city in the first quarter of 2012 broadly highlights a year-on-year increase in property prices. Indeed, with the exception of Rabat, Marrakech and Agadir, where prices fell 4.4 percent, 2.9 percent and 1.4 percent, respectively, prices in other cities increased within a range of 0.8 percent in Meknes to 5.5 percent in Fes.

Change in real estate prices by city



**Volume:** During the first quarter of 2012, the number of transactions generally declined quarter on quarter. The decrease ranged from 0.1 percent in Fes to 16.3 percent in Meknes, while the increase was reported only in Oujda and Rabat. The largest volume of sales was registered in Casablanca with a share of 30.7 percent, Marrakech with 14.2 percent and Tangier with 13.1 percent.

### Breakdown and quarterly change in sales by city



City	Real estate category	REPI	Change (%)	
			Q1-12/ Q4-11	Q1-12/ Q1-11
Agadir	Apartments	107.1	-0.3	0.3
	Houses	115.2	-2.3	0.6
	Villas	-	-	-
	Urban land	123.7	-7.4	-0.6
	Business premises	111.4	-12.1	4.6
	Office	-	-	-
	<b>Overall</b>	110.7	-4.8	0.7
Casablanca	Apartments	106.3	0.2	1.0
	Houses	108.3	-2.5	-5.7
	Villas	105.9	-16.1	-9.3
	Urban land	111.3	-6.5	-9.0
	Business premises	116.6	3.5	3.4
	Office	106.3	1.7	9.2
	<b>Overall</b>	107.0	-0.6	0.0
El Jadida	Apartments	95.4	-0.7	11.7
	Houses	107.9	-11.9	-8.0
	Villas	-	-	-
	Urban land	103.1	-8.2	-4.2
	Business premises	92.5	-12.1	-6.4
	Office	-	-	-
	<b>Overall</b>	96.0	-3.3	1.3
Fes	Apartments	118.1	-0.5	3.2
	Houses	-	-	-
	Villas	-	-	-
	Urban land	102.4	3.3	7.4
	Business premises	114.7	2.6	-0.6
	Office	-	-	-
	<b>Overall</b>	110.0	2.3	5.5
Kenitra	Apartments	102.6	1.3	4.2
	Houses	109.4	0.3	-2.5
	Villas	129.4	18.5	8.1
	Urban land	133.3	-3.4	8.1
	Business premises	118.0	-1.1	0.5
	Office	115.7	-15.9	10.3
	<b>Overall</b>	108.4	0.9	3.7

City	Real estate category	REPI	Change (%)	
			Q1-12/ Q4-11	Q1-12/ Q1-11
Marrakech	Apartments	91.2	-3.7	-3.5
	Houses	103.2	-0.2	-6.9
	Villas	99.3	-10.0	-3.4
	Urban land	124.8	4.0	1.4
	Business premises	110.5	0.6	5.9
	Office	-	-	-
	<b>Overall</b>	100.3	-1.7	-2.9
Meknes	Apartments	113.5	-0.8	0.0
	Houses	112.8	-3.2	-5.2
	Villas	117.7	11.4	-11.4
	Urban land	-	-	-
	Business premises	116.0	0.0	5.6
	Office	-	-	-
	<b>Overall</b>	115.4	-2.2	0.8
Oujda	Apartments	106.6	2.1	-8.7
	Houses	113.7	14.8	-4.6
	Villas	-	-	-
	Urban land	121.5	3.5	3.2
	Business premises	120.9	-5.2	-0.4
	Office	-	-	-
	<b>Overall</b>	117.7	8.2	-0.2
Rabat	Apartments	113.2	-0.5	-2.1
	Houses	109.8	0.6	3.0
	Villas	-	-	-
	Urban land	115.1	-16.0	-13.8
	Business premises	123.7	16.4	15.6
	Office	-	-	-
	<b>Overall</b>	111.4	-1.7	-4.4
Tangier	Apartments	125.4	1.0	5.4
	Houses	125.9	5.2	8.3
	Villas	-	-	-
	Urban land	100.9	-0.2	-2.1
	Business premises	136.9	15.2	12.4
	Office	-	-	-
	<b>Overall</b>	108.4	1.3	1.5

(-): 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 (%)	
			Q1-12/ Q4-11	Q1-12/ Q1-11				Q1-12/ Q4-11	Q1-12/ Q1-11
Chaouia-Ourdigha	Residential	119.6	2.8	6.8	Marrakech-Tensift-El Haouz	Residential	94.0	-1.5	3.8
	Urban land	104.6	5.8	2.9		Urban land	124.2	4.4	1.7
	Commercial property	-	-	-		Commercial property	102.5	-5.9	-1.2
	<b>Overall</b>	<b>109.8</b>	<b>4.5</b>	<b>4.2</b>		<b>Overall</b>	<b>98.2</b>	<b>-0.8</b>	<b>3.2</b>
Doukkala-Abda	Residential	97.7	-8.2	-7.3	Oriental	Residential	111.4	10.5	-4.1
	Urban land	108.4	-7.5	-2.1		Urban land	117.0	2.9	1.0
	Commercial property	95.4	-7.5	-2.6		Commercial property	112.6	-6.7	-9.9
	<b>Overall</b>	<b>99.7</b>	<b>-8.1</b>	<b>-6.4</b>		<b>Overall</b>	<b>114.7</b>	<b>5.9</b>	<b>-1.1</b>
Fes-Boulmane	Residential	115.0	0.9	3.3	Oued Eddahab-lagouira	Residential	106.1	1.5	0.3
	Urban land	104.9	3.5	3.8		Urban land	-	-	-
	Commercial property	120.9	7.1	5.5		Commercial property	-	-	-
	<b>Overall</b>	<b>108.6</b>	<b>2.5</b>	<b>3.5</b>		<b>Overall</b>	<b>106.1</b>	<b>1.5</b>	<b>0.3</b>
Gharb-Chrarda-Beni Hssen	Residential	105.5	0.7	2.3	Rabat-Salé-Zemmour-Zaër	Residential	115.0	-0.9	-1.5
	Urban land	131.9	0.8	10.3		Urban land	118.6	-4.3	-2.4
	Commercial property	114.0	-5.2	-0.4		Commercial property	99.2	-8.3	-9.7
	<b>Overall</b>	<b>110.0</b>	<b>0.8</b>	<b>3.6</b>		<b>Overall</b>	<b>114.4</b>	<b>-2.0</b>	<b>-2.3</b>
Grand Casablanca	Residential	106.1	-0.8	0.3	Souss-Massa-Draâ	Residential	107.0	-2.1	-3.6
	Urban land	112.1	-5.3	-7.8		Urban land	123.9	-1.7	0.0
	Commercial property	112.3	1.4	4.1		Commercial property	110.8	-9.2	4.2
	<b>Overall</b>	<b>106.9</b>	<b>-1.0</b>	<b>0.0</b>		<b>Overall</b>	<b>112.5</b>	<b>-2.4</b>	<b>-2.3</b>
Guelmim-Es Smara	Residential	115.2	5.3	0.7	Tadla-Azilal	Residential	117.8	-0.6	0.0
	Urban land	-	-	-		Urban land	114.6	6.9	4.4
	Commercial property	-	-	-		Commercial property	-	-	-
	<b>Overall</b>	<b>115.2</b>	<b>5.3</b>	<b>0.7</b>		<b>Overall</b>	<b>115.2</b>	<b>1.9</b>	<b>1.9</b>
Laâyoune-Boujdour-Sakia El Hamra	Residential	99.4	7.0	0.9	Tangier-Tetouan	Residential	119.9	2.4	4.5
	Urban land	-	-	-		Urban land	101.0	0.0	-2.1
	Commercial property	-	-	-		Commercial property	137.2	15.0	13.5
	<b>Overall</b>	<b>99.4</b>	<b>7.0</b>	<b>0.9</b>		<b>Overall</b>	<b>108.7</b>	<b>1.1</b>	<b>1.2</b>
Meknes-Tafilalt	Residential	112.0	-0.8	-4.3	Taza-Al Hoceima-Taounate	Residential	106.7	-6.0	-2.4
	Urban land	124.3	1.6	7.8		Urban land	130.3	9.1	7.7
	Commercial property	115.5	-0.9	3.0		Commercial property	117.1	8.7	-11.6
	<b>Overall</b>	<b>117.4</b>	<b>0.3</b>	<b>1.4</b>		<b>Overall</b>	<b>119.2</b>	<b>2.5</b>	<b>2.5</b>

## 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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