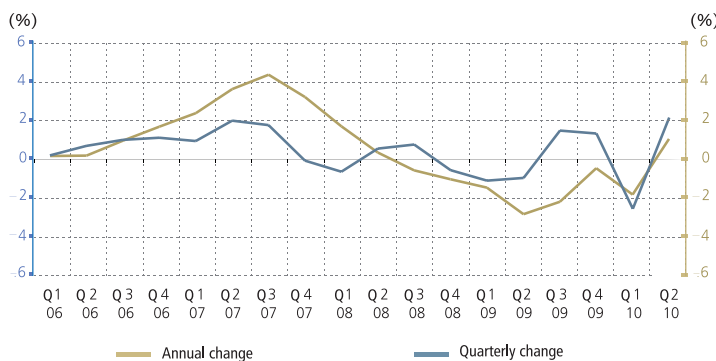


1. The general trend of the real estate market in the second quarter of 2010

Prices - Residential property prices were up 1.4 percent in the second quarter of 2010, after the year-on-year downward trend that began in the third quarter of 2008. This increase in the real estate price index (REPI) reflects a 3 percent rise in apartment prices, which account for the bulk of the trading volume, a stagnation in those for houses, and a 3 percent decline in the prices for villas. On a quarterly basis, residential real estate prices rose 2.2 percent, after falling 3.2 percent the previous quarter.

By region, prices showed uneven trends. Year-on-year declines were observed in the regions of Gharb-Chrarda-Beni Hssen, Fes-Boulmane, and Taza-Al Hoceima-Taounate, while the regions of Casablanca, the Oriental, and Tanger-Tetouan reported significant increases. Prices in other regions did not change markedly.

Real estate price index (REPI)



- Increase in property prices during the second quarter of 2010, both on a quarterly and annual basis.
- By category, apartment prices rose, those for houses were flat, while prices of villas fell at an annual rate.
- Decrease in the number of transactions for different categories of housing, with the exception of the villas.

In short

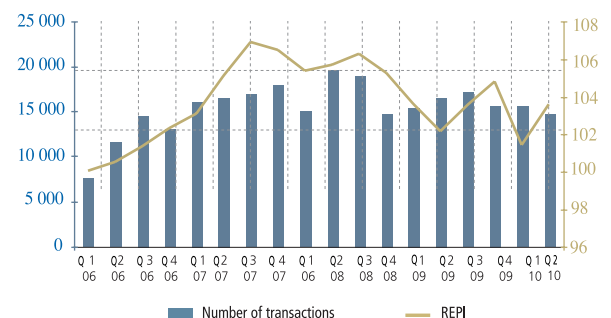
REPI	Change (%)	
	Q2-10 / Q1-10	Q2-10 / Q2-09
National	2.2 ↑	1.4 ↑
- Apartments	3.8 ↑	3.0 ↑
- Houses	1.4 ↑	0.1 ↑
- Villas	-1.3 ↓	-3.0 ↓

Number of transactions	Change (%)	
	Q2-10 / Q1-10	Q2-10 / Q2-09
National	-5.7 ↓	-11.2 ↓
- Apartments	-6.6 ↓	-12.2 ↓
- Houses	0.8 ↑	-3.9 ↓
- Villas	11.0 ↑	11.5 ↑

Volume - Data captured 35 days after the end of the second quarter show that sales of residential property registered at the Land Registry Office posted a quarterly decline of 5.7 percent to about 14,735 transactions. This fall is exclusively linked to the drop in sales of apartments, as sales of villas and houses respectively went up by 11 percent and 0.8 percent on a quarterly basis.

At the regional level, sales fell in the regions of Gharb-Chrarda-Beni Hssen, the Oriental, Rabat-Salé-Zemmour-Zaër, Tadra-Azilal, and Taza-Al Hoceima-Taounate, compared to an increase in the remaining regions.

REPI and number of transactions

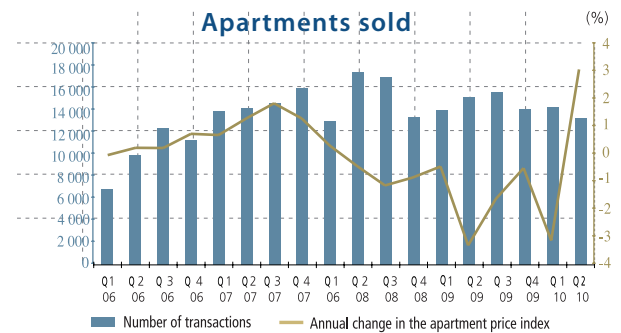


2. General trend by dwelling type

APARTMENTS

Apartment prices grew at a quarterly rate of 3.8 percent, up from 3.6 percent in the first quarter 2010. On an annual basis, they were up 3 percent, as opposed to the 3.2 percent contraction recorded in the previous quarter. The uptrend involved all cities, except El Jadida and Fes where prices fell in a market characterized by a relatively small number of sales.

The volume of apartment sales, which accounted for nearly 90 percent of transactions in this quarter, shrank by a quarterly rate of 6.6 percent to 13,221 units. By region, the most marked decreases were recorded in Souss-Massa-Draa and Fes-Boulmane, while the largest increase was observed in Meknes-Tafilalt.

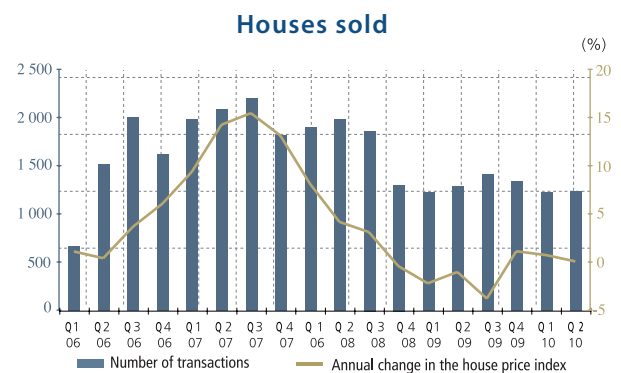


	Value	Change (%)	
		Q2-10 / Q1-10	Q2-10 / Q2-09
Price index	101.0	3.8	3.0
Number of transactions	13 221	-6.6	-12.2

HOUSES

Although stagnating on a quarterly basis, house prices increased 1.4 percent year on year, in conjunction with the price rise in the cities of Oujda, Rabat and Tangier.

House sales, which represent about 8 percent of the domestic market, totaled 1242 transactions, down 3.8 percent at an annual basis and up 0.8 percent on a quarterly basis.

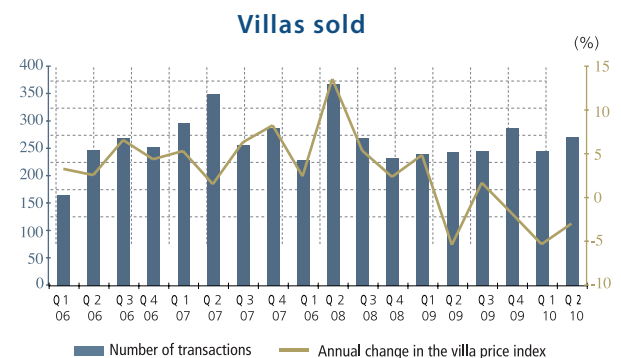


	Value	Change (%)	
		Q2-10 / Q1-10	Q2-10 / Q2-09
Price index	118.1	1.4	0.1
Number of transactions	1 242	0.8	-3.9

VILLAS

Prices for villas depreciated at a quarterly rate of 1.3 percent and an annual rate of 3 percent, mostly dragged down by the annual 8.4 percent price decline in the city of Kenitra. Prices in other cities included in the index were up, though with a reduced number of transactions.

The market for villas, which accounts for nearly 2 percent of the domestic market, registered 272 transactions, up 11 percent from the previous quarter and 11.5 percent from last year.



	Value	Change (%)	
		Q2-10 / Q1-10	Q2-10 / Q2-09
Price index	105.7	-1.3	-3.0
Number of transactions	272	11.0	11.5

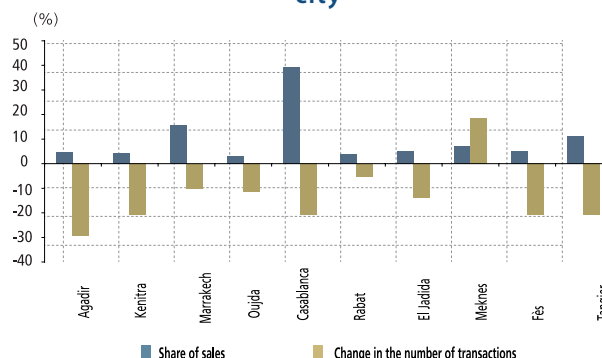
3. Trend by city

Price - Residential property prices followed different trends according to cities. They decreased, on a quarterly basis, in Fes, Kenitra, El Jadida and Marrakech, and rose in other cities.

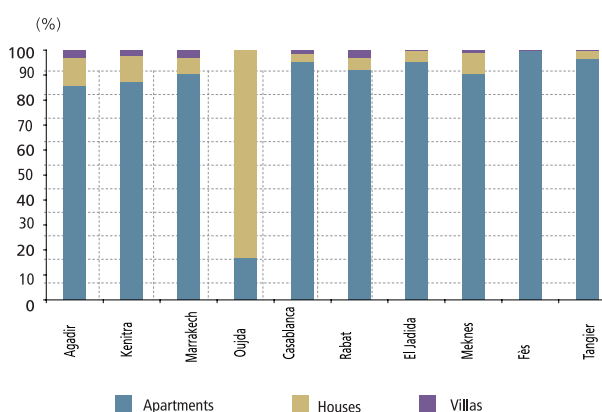
Volume - Out of the ten cities covered by the index, only the city of Meknes posted a quarterly increase in the number of sales, up 18.4 percent. In other cities, particularly Agadir, Fes and Casablanca, the volume of transactions was down, bringing down their share in the domestic market to 4.7 percent, 5.2 percent and 39.3 percent, respectively.

The breakdown of residential property sales during the second quarter of 2010 confirms the prevalence of apartment sales. Except the city of Oujda, apartments accounted for at least 85 percent of transactions. The sales of villas did not exceed 3 percent of total transactions in Agadir, Rabat, Marrakech and Kenitra.

Breakdown and quarterly change in sales by city



Breakdown of sales by city



City	Dwelling type	REPI	Change (%)	
			Q2-10 / Q1-10	Q2-10 / Q2-09
Agadir	Apartement	99.2	1.6	2.2
	House	107.6	-3.4	-2.0
	Villa	116.3	1.9	9.9
	Total	226.1	3.0	6.4
Casablanca	Apartement	110.8	2.3	8.8
	House	123.6	9.0	2.5
	Villa	129.2	4.3	25.5
	Total	111.7	2.7	8.6
El Jadida	Apartement	81.7	-10.7	-7.9
	House	-	-	-
	Villa	-	-	-
	Total	81.7	-10.7	-7.9
Fez	Apartement	109.0	-17.1	-17.8
	House	-	-	-
	Villa	-	-	-
	Total	109.0	-17.1	-17.8
Kenitra	Apartement	110.4	2.0	-1.4
	House	109.5	-10.1	-9.9
	Villa	122.1	12.3	-8.4
	Total	110.5	-0.4	-4.5

City	Dwelling type	REPI	Change (%)	
			Q2-10 / Q1-10	Q2-10 / Q2-09
Marrakech	Apartement	99.2	1.6	-2.2
	House	104.0	-3.4	-2.0
	Villa	116.3	1.9	9.9
	Total	101.2	0.8	-1.7
Meknes	Apartement	121.6	-2.6	0.2
	House	122.5	8.3	-0.1
	Villa	-	-	-
	Total	117.6	4.2	0.5
Oujda	Apartement	136.5	-2.4	1.8
	House	1227	-4.8	11.0
	Villa	-	-	-
	Total	124.5	-2.1	9.6
Rabat	Apartement	116.9	-1.3	2.3
	House	101.0	-14.1	7.1
	Villa	-	-	-
	Total	116.9	-1.3	2.3
Tangier	Apartement	129.0	3.8	12.7
	House	113.3	-1.5	6.7
	Villa	-	-	-
	Total	117.4	1.4	8.0

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

4. Regional trend

Regions	REPI	Change (%)	
		Q2-10 / Q1-10	Q2-10 / Q2-09
Chaouia-Ourdigha	116.9	-1.6	-0.2
Doukkala-Abda	86.8	-12.0	-3.2
Fez-Boulmane	121.4	-2.2	-4.9
Gharb-Charda-Beni Hssen	110.4	-0.7	-4.6
Grand Casablanca	111.8	2.5	7.6
Guelmim	112.0	3.9	-0.1
Laâyoune-Boujdour-Sakia El Hamra	117.7	6.5	-0.2
Meknes-Tafilalt	118.1	4.2	1.9

Regions	REPI	Change (%)	
		Q2-10 / Q1-10	Q2-10 / Q2-09
Marrakech-Tensift-El Haouz	101.2	0.8	-1.7
Oriental	114.2	0.3	4.8
Oued Eddahab-Lagouira	106.2	1.2	0.0
Rabat-Sale-Zemmour-Zaer	120.0	-2.0	-0.6
Souss-Massa-Draa	123.7	-0.4	0.9
Tadla-Azilal	120.1	-3.7	0.8
Tangier-Tetouan	117.2	1.1	6.5
Taza-Al Hoceima-Taounate	111.0	-15.7	-4.6

TECHNICAL NOTICE

The real estate price index (REPI) was jointly constructed by Bank Al-Maghrib and the Land Registry Office on the basis of the latter's data. This quarterly index, which has a base value of 100 in 2006, is 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 captures changes in residential property prices nationwide, by region and by major cities for the following three dwelling types: apartments (a dwelling located in a collective building and comprising one or several rooms), houses (a single or several-story individual dwelling with no garden), and villas (an individual dwelling with a garden).

This index is 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 document setting out the detailed methodology for developing the REPI is available on the website of Bank Al-Maghrib and the National Land Registry Office.

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