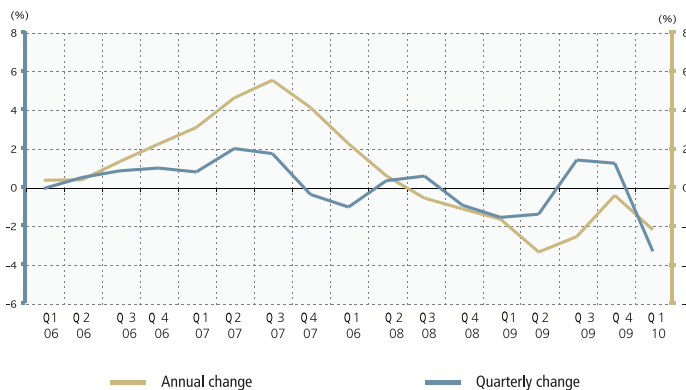


## 1. The general trend of the real estate market in the first quarter of 2010

**Prices** - Residential property prices, which increased at a quarterly rate of 1.4 percent and 1.2 percent respectively in the third and fourth quarter 2009, were down in the first quarter 2010. They fell 3.3 percent, in connection with the drop in the prices of apartments, houses and villas by 3.6 percent, 2.9 percent and 6 percent, respectively. On a year-to-year basis, residential property prices remain 2.2 percent lower than the level recorded in the same quarter of last year.

By region, prices showed divergent trends. A fairly marked year-on-year decrease was registered in the regions of Gharb-Chrarda-Beni Hssen, Meknes-Tafilalt, and Marrakech-Tensift-Al Haouz, whereas the regions of Fez-Boulmane, the Oriental, and Taza-Al Hoceima-Taounate posted significant increases. In the other regions, price changes ranged from -2.6 percent to +5 percent.

Real estate price index (REPI)



### In short

- Decline in real estate prices in the first quarter of the year, on both a quarterly and annual basis.
- By type of dwelling, only house prices increased somewhat on an annual basis.
- Considerable interregional disparities in property price changes.
- Fall in the number of transactions for the different dwelling types.

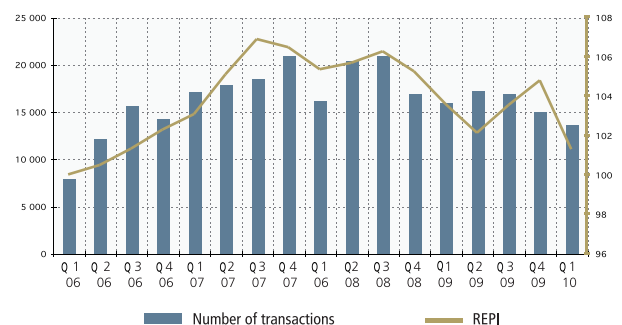
REPI	Change (%)	
	Q1-10 / Q4-09	Q1-10 / Q1-09
<b>National</b>	-3.3 ↓	-2.2 ↓
- Apartments	-3.6 ↓	-3.2 ↓
- Houses	-2.9 ↓	0.7 ↑
- Villas	-6.0 ↓	-5.3 ↓

Number of transactions	Change (%)	
	Q1-10 / Q4-09	Q1-10 / Q1-09
<b>National</b>	-2.7 ↓	-1.4 ↓
- Apartments	-1.6 ↓	-1.2 ↓
- Houses	-12.1 ↓	-4.5 ↓
- Villas	-17.5 ↓	-0.8 ↓

**Volume** - Data captured 35 days after the end of the first quarter show that sales of residential property registered at the Land Registry Office in the first quarter 2010 posted an annual decline of 1.4 percent to 15,520 transactions. This decrease in the number of sales affected the three dwelling types, albeit in different proportions.

At the regional level, sales fell in the regions of Marrakech-Tensift-Al Haouz, the Oriental, Rabat-Sale-Zemmour-Zaer, Tadla-Azilal, Tanger-Tetouan, and Fez-Boulmane, compared to an increase in the remaining regions.

REPI and number of transactions



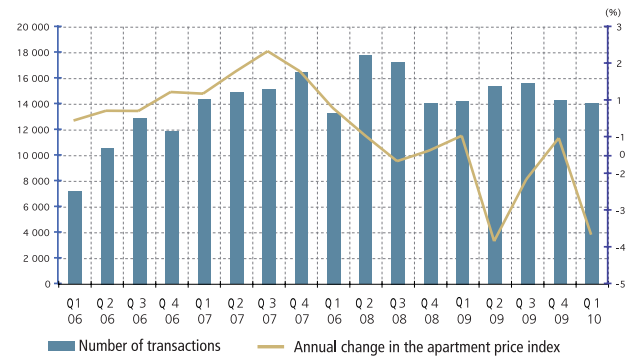
## 2. General trend by dwelling type

### APARTMENTS

Prices for apartments were down 3.6 percent in the 1st quarter 2010, compared to an increase by 1.5 percent and 1.4 percent in the third and fourth quarter of 2010, respectively. On an annual basis, prices fell 3.2 percent. The downturn affected all cities, except Agadir, Fez, and Rabat.

The volume of apartment sales, which accounted for nearly 93 percent of the overall transactions, shrank by an annual rate of 1.2 percent to 14,074 units. In terms of regions, the most sizable decreases were recorded in Marrakech-Tensift-Al Haouz, and Rabat-Sale-Zemmour-Zaer, while the regions of Gharb-Chrarda-Beni Hssen and Taza-Al Houceima-Taounate observed significant rises.

#### Apartments sold



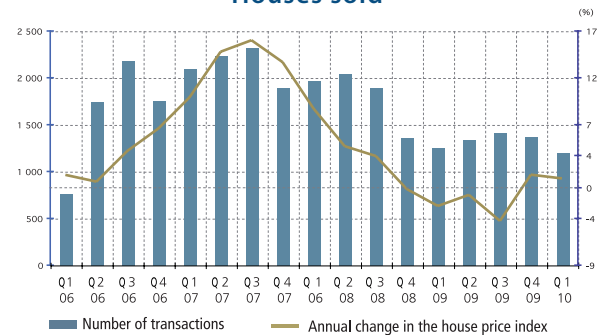
	Value	Change (%)	
		Q1-10 / Q4-09	Q1-10 / Q1-09
Price index	97.2	-3.6	-3.2
Number of transactions	14 074	-1.6	-1.2

### HOUSES

Following the 1.8 percent increase in the previous quarter, house prices fell 2.9 percent in the first quarter 2010. However, they were up 0.7 percent on a year-to-year basis, because of the price rise in Rabat, Kenitra and Tangier. The drop in prices was particularly registered in the cities of Meknes, Casablanca, Marrakech, and El Jadida.

Meanwhile, the house market, which represents about 5.5 percent of the national market, recorded more than 1,200 transactions, down 4.5 percent year on year, and 12.1 percent on a quarterly basis.

#### Houses sold



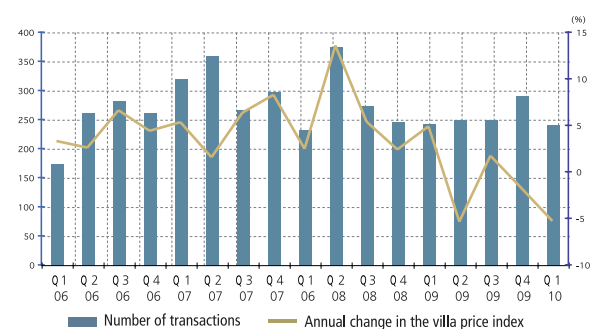
	Value	Change (%)	
		Q1-10 / Q4-09	Q1-10 / Q1-09
Price index	116	-2.9	0.7
Number of transactions	1202	-12.1	-4.5

### VILLAS

Prices of villas depreciated at a quarterly rate of 6 percent and an annual rate of 5.3 percent. Except the city of Agadir where villa prices were up year on year, prices were down in the other cities included in the index.

The villa market, which accounts for less than 2 percent of the national market, registered 241 transactions, down 17.5 percent on a quarterly basis and 0.8 percent on a year-on-year basis.

#### Villas sold



	Value	Change (%)	
		Q1-10 / Q4-09	Q1-10 / Q1-09
Price index	107	-6,0	-5,3
Number of transactions	241	-17,5	-0,8

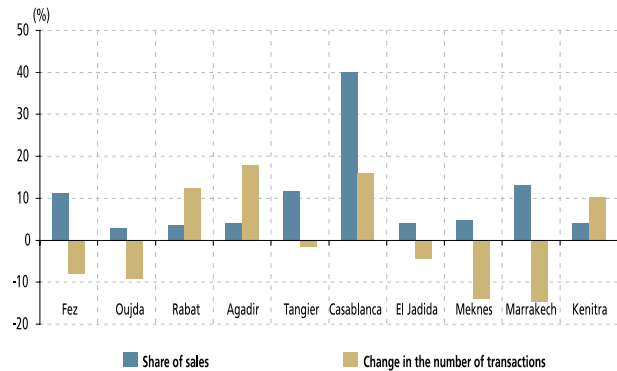
### 3. Trend by city

**Price** - Home prices followed different trends according to cities. They increased, on a quarterly basis, in Rabat, Oujda, Fez and Agadir, stagnated in Casablanca and Tangier, and declined in the other cities.

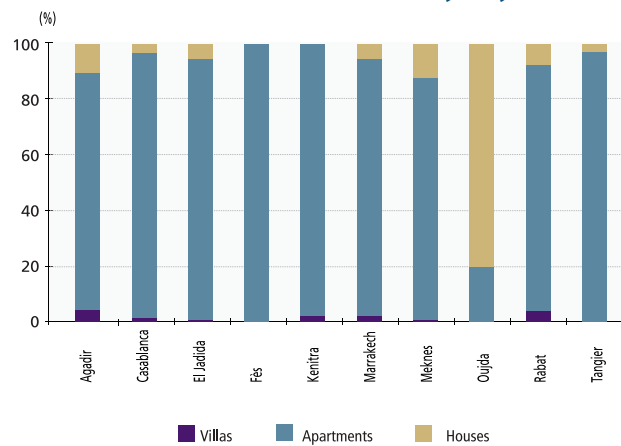
**Volume** - On the ten cities covered by the index, Casablanca saw the highest increase in the volume of sales, with 40 percent of the overall sales nationwide. The cities where the volume fell most were Marrakech, Meknes and Oujda, the shares of which reached 13 percent, 5 percent and 3 percent, respectively.

The breakdown of home sales during the first quarter 2010 confirms the prevalence of apartment sales. Except Oujda where house sales prevail, apartments accounted for at least 85 percent of transactions in the other cities. The sales of villas represented a mere 5 percent, 4 percent and 2 percent of total transactions in Agadir, Rabat and Marrakech, respectively.

Breakdown and quarterly change in sales by city



Breakdown of sales by city



Cities	Dwelling types	REPI	Change (%)	
			Q1-10/ Q4-09	Q1-10/ Q1-09
Agadir	Apartement	109.2	-7.0	2.7
	House	-	-	-
	Villa	109.2	-7.0	9.2
	<b>Total</b>	<b>105.9</b>	<b>3.0</b>	<b>-5.1</b>
Casablanca	Apartement	97.1	-0.8	-0.4
	House	119.9	4.1	-7.0
	Villa	107.4	-0.8	-8.1
	<b>Total</b>	<b>97.6</b>	<b>-0.1</b>	<b>-0.1</b>
El Jadida	Apartement	89.8	-1.6	-8.6
	House	104.7	-9.6	-6.0
	Villa	-	-	-
	<b>Total</b>	<b>93.0</b>	<b>-0.3</b>	<b>-6.0</b>
Fez	Apartement	114.6	-2.1	20.9
	House	-	-	-
	Villa	-	-	-
	<b>Total</b>	<b>114.5</b>	<b>-1.6</b>	<b>20.5</b>
Kenitra	Apartement	65.6	-20.3	-25.5
	House	117.2	0.2	6.3
	Villa	-	-	-
	<b>Total</b>	<b>70.5</b>	<b>-20.6</b>	<b>-23.6</b>

Cities	Dwelling types	REPI	Change (%)	
			Q1-10/ Q4-09	Q1-10/ Q1-09
Marrakech	Apartement	91.9	-1.0	-4.4
	House	108.2	-0.9	-6.6
	Villa	-	-	-
	<b>Total</b>	<b>95.1</b>	<b>-1.6</b>	<b>-3.9</b>
Meknes	Apartement	115.4	-11.3	-6.3
	House	118.1	-8.1	-8.1
	Villa	-	-	-
	<b>Total</b>	<b>113.3</b>	<b>-5.3</b>	<b>-6.1</b>
Oujda	Apartement	-	-	-
	House	134.0	27.4	-3.1
	Villa	-	-	-
	<b>Total</b>	<b>114.1</b>	<b>-7.8</b>	<b>11.7</b>
Rabat	Apartement	115.9	-5.1	1.0
	House	116.8	16.5	22.1
	Villa	97.8	-23.7	-1.9
	<b>Total</b>	<b>114.7</b>	<b>-0.7</b>	<b>4.7</b>
Tangier	Apartement	107.2	-1.0	-0.7
	House	107.8	-5.5	2.4
	Villa	-	-	-
	<b>Total</b>	<b>105.2</b>	<b>-2.0</b>	<b>0.0</b>

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

## 4. Regional trend

Regions	REPI	Change (%)	
		Q1-10 / Q4-09	Q1-10 / Q1-09
Chaouia-Ourdigha	111.8	-3.0	-1.5
Doukkala-Abda	98.3	-4.7	-0.8
Fez-Boulmane	115.1	3.4	12.2
Gharb-Charda-Beni Hssen	73.5	-20.9	-21.7
Grand Casablanca	98.2	-1.0	-0.2
Guelmim	111.2	-4.4	0.3
Laâyoune-Boujdour-Sakia El Hamra	118.1	-7.0	0.3
Meknes-Tafilalt	114.8	-6.9	-4.4

Regions	REPI	Change (%)	
		Q1-10 / Q4-09	Q1-10 / Q1-09
Marrakech-Tensift-El Haouz	95.2	-1.6	-3.3
Oriental	114.1	-7.8	11.7
Oued Eddahab-Lagouira	104.3	-1.3	0.2
Rabat-Sale-Zemmour-Zaer	119.4	-0.5	5.0
Souss-Massa-Draa	110.6	5.6	-2.6
Tadla-Azilal	122.0	7.3	-0.2
Tangier-Tetouan	105.7	-2.1	-0.3
Taza-Al Hoceima-Taounate	139.4	10.5	10.6

### 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

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