

1. GENERAL TREND OF THE REAL ESTATE MARKET IN THE SECOND QUARTER 2017

Quarter on quarter, the Real Estate Price Index (REPI) fell by 1.3 percent, reflecting price declines by 1.2 percent for residential property, 0.8 percent for land and 4.7 percent for commercial premises.

On the transactions side, the slight increase of 0.8 percent covers the increase in residential property sales by 4 percent and drops in land and commercial premises by 5.7 percent and 10.9 percent respectively.

Year on year, prices rose 6.2 percent, reflecting an increase in residential property prices by 7.0 percent, land by 5 percent and commercial premises by 6.9 percent.

Transactions decreased by 1.3 percent, with drops of 0.3 percent for residential property and 8.1 percent for land as against a 6.4 percent increase for commercial premises.

- During the second quarter of 2017, the Real Estate Price Index decreased by 1.3 percent quarter on quarter. Year on year, prices continued to rise at a rate of 6.2 percent.
- Quarter on quarter, the volume of transactions increased by 0.8 percent and dropped by 1.3 percent compared to the same period of the previous year.

REPI	Change (%)	
	Q2-17/ Q1-17	Q2-17/ Q2-16
Total	-1,3 ↓	6,2 ↑
Residential	-1,2 ↓	7,0 ↑
Apartment	-0,5 ↓	9,0 ↑
House	-3,6 ↓	0,2 ↑
Villa	-7,9 ↓	1,2 ↑
Urban land	-0,8 ↓	5,0 ↑
Commercial property	-4,7 ↓	6,9 ↑
Business premises	-4,7 ↓	5,8 ↑
Offices	-3,4 ↓	16,2 ↑

Number of transactions	Change (%)	
	Q2-17/ Q1-17	Q2-17/ Q2-16
Total	0,8 ↑	-1,3 ↓
Residential	4,0 ↑	-0,3 ↓
Apartment	4,9 ↑	0,6 ↑
House	-6,2 ↓	-10,4 ↓
Villa	-9,6 ↓	-12,3 ↓
Urban land	-5,7 ↓	-8,1 ↓
Commercial property	-10,9 ↓	6,4 ↑
Business premises	-11,2 ↓	1,7 ↑
Offices	-8,9 ↓	44,9 ↑

In short

2. General trend by property category

Residential property

On a quarterly basis, residential property prices fell by 1.2 percent, reflecting declines in prices for all types of property, with 0.5 percent for apartments. In this context, transactions increased by 4 percent, reflecting a 4.9 percent rise in apartment sales, while sales of villas and houses decreased respectively by 9.6 percent and 6.2 percent quarter on quarter.

Prices rose by 7 percent year on year, with a 9 percent increase for apartments. Transactions fell 0.3 percent, with drops by 12.3 percent for villas and 10.4 percent for houses, while sales of apartments rose by 0.6 percent.

Urban land

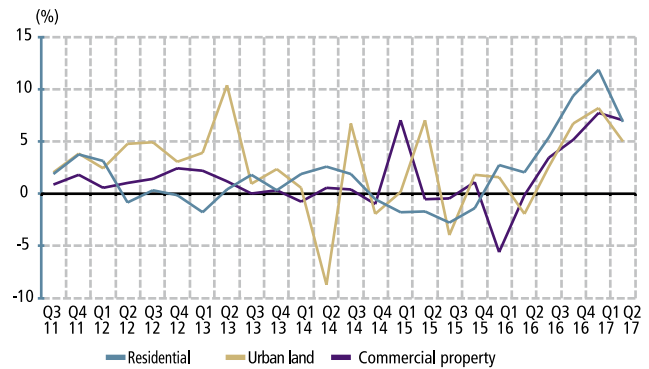
Quarter on quarter, prices fell 0.8 percent and increased 5 percent year on year. Sales declined by 5.7 percent from one quarter to the next and by 8.1 percent compared to the second quarter of 2016.

Commercial property

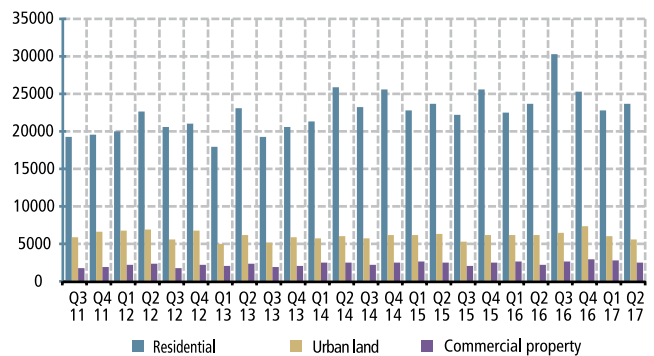
The price index fell by 4.7 percent quarter on quarter, reflecting decreases of 4.7 percent for commercial property and 3.4 percent for offices. Transactions decreased by 10.9 percent, reflecting drops by 11.2 percent for commercial property and 8.9 percent for offices.

Year on year, prices rose by 6.9 percent, with increases by 5.8 percent for commercial premises and 16.2 percent for offices. The number of transactions increased by 6.4 percent, reflecting an increase of 44.9 percent in sales of offices and of 1.7 percent in sales of commercial premises.

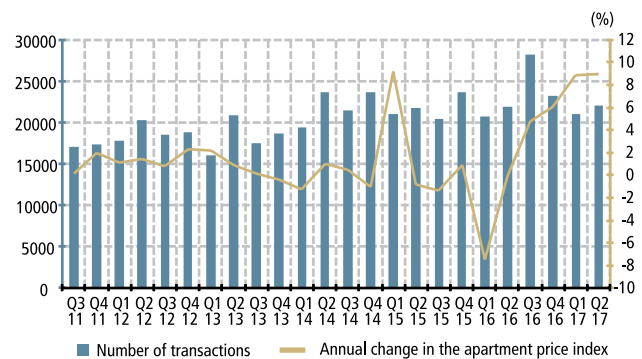
Real estate price indexes by category, (YoY)



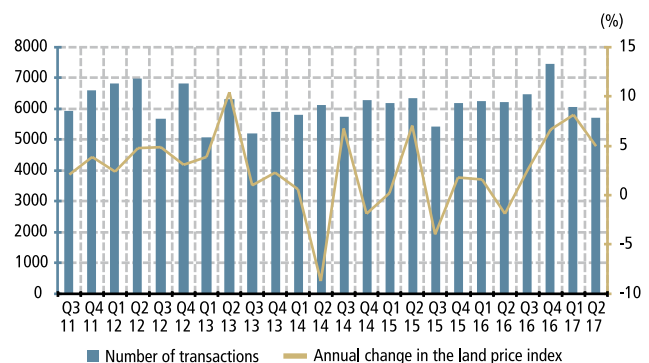
Change in the number of transactions



YoY change in the price index (%) and number of transactions
Apartments



YoY change in the price index (%) and number of transactions
Urban land



3. Property market trend by city

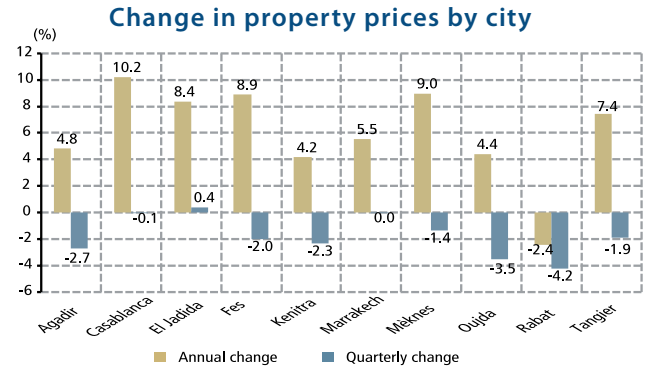
Quarter on quarter, with the exception of El Jadida and Marrakech, prices dropped in the major cities. In terms of transactions, they experienced different trends, ranging from a drop by 10.4 percent in sales in Agadir to a 21.5 percent rise in sales in Rabat.

In Casablanca, prices remained virtually unchanged, as a result of a 1.6 percent increase for apartments and a 2.3 percent drop for land and 3.5 percent for commercial premises. Sales increased by 4 percent, mainly as a result of the 7.5 percent increase in apartment sales and 3 percent in urban land transactions. Sales of commercial premises, however, fell by 11.2 percent compared to the first quarter.

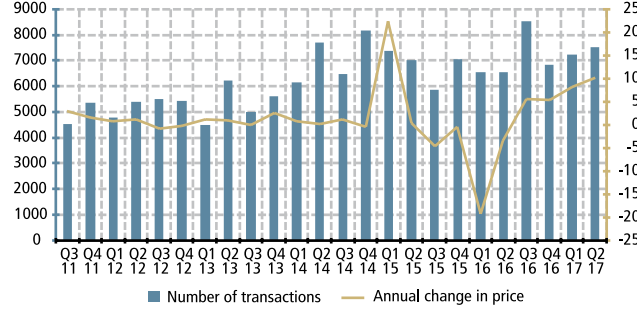
In Rabat, prices fell 4.2 percent, reflecting decreases of 4.8 percent for apartments and 8.2 percent for commercial premises. Conversely, land prices increased by 1.6 percent. Concerning transactions, their number increased by 21.5 percent, mainly reflecting an improvement in apartment sales by 15.2 percent.

In Marrakech, The REPI did not undergo any quarter-to-quarter change, with a 0.8 percent decline in apartment prices offset by 0.5 percent increases in land prices and 1.7 percent in commercial premises. As to transactions, their number increased by 12.3 percent, reflecting an improvement in apartment sales by 25.4 percent, while land and commercial premises fell by 12.7 percent and 1.5 percent respectively.

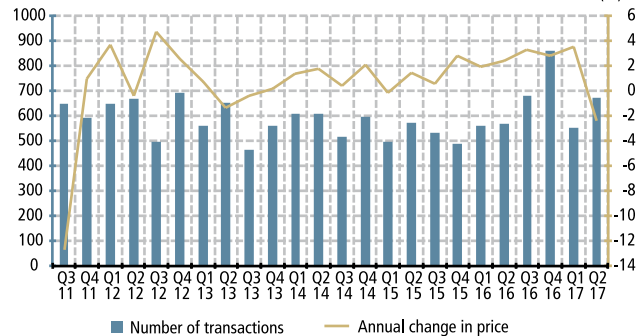
In Tangiers, prices fell by 1.9 percent, reflecting a 2.3 percent drop in apartment prices, 0.4 percent in land prices and 12.1 percent in commercial premises. Similarly, the number of transactions decreased by 7.9 percent, reflecting a decline of 11.4 percent in apartment sales and 6.7 percent in land sales. On the other hand, commercial premises increased by 33.1 percent from one quarter to the next.



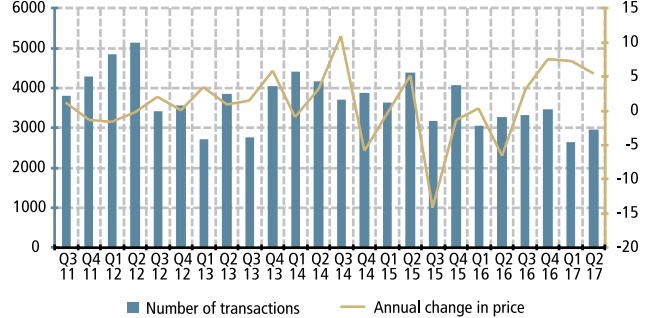
Change in property prices (%) and transactions in Casablanca



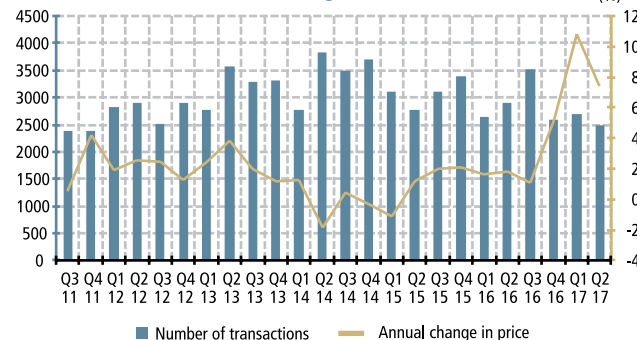
Change in property prices (%) and transactions in Rabat



Change in property prices (%) and transactions in Marrakech



Change in property prices (%) and transactions in Tangier



Change in the REPI in some major cities

City	Property category	Change (%)		City	Property category	Change (%)	
		Price Q2-17/ Q1-17	Transactions Q2-17/ Q1-17			Price Q2-17/ Q1-17	Transactions Q2-17/ Q1-17
Agadir	Apartment	-3,4	-22,5	Marrakech	Apartment	-0,8	25,4
	House	-1,3	0,0		House	-1,0	-7,1
	Villa	-7,1	-2,8		Villa	-5,5	29,5
	Urban land	-3,2	5,1		Urban land	0,5	-12,7
	Business premises	-4,2	-14,0		Business premises	1,7	-1,5
	Office	-	-		Office	-22,0	-55,2
	Total	-2,7	-10,4		Total	0,0	12,3
Casablanca	Apartment	1,6	7,5	Meknes	Apartment	-2,1	26,0
	House	-7,2	-10,4		House	-1,7	-22,1
	Villa	-18,9	-22,6		Villa	11,9	12,5
	Urban land	-2,3	3,0		Urban land	-1,4	-9,7
	Business premises	-3,5	-11,2		Business premises	-5,9	-25,9
	Office	-3,3	-14,2		Office	-	-
	Total	-0,1	4,0		Total	-1,4	6,5
El Jadida	Apartment	0,9	-13,3	Oujda	Apartment	-6,1	41,3
	House	1,0	-3,7		House	-4,0	-3,1
	Villa	20,1	14,3		Villa	-24,5	20,0
	Urban land	-5,0	-10,2		Urban land	-3,0	-18,6
	Business premises	-4,5	0,0		Business premises	-	-
	Office	-	-		Office	-	-
	Total	0,4	-12,0		Total	-3,5	10,1
Fes	Apartment	-2,1	1,6	Rabat	Apartment	-4,8	15,2
	House	-	-		House	-4,6	28,6
	Villa	-1,7	-47,1		Villa	-5,6	-
	Urban land	-0,7	-17,0		Urban land	1,6	-
	Business premises	-3,7	-20,3		Business premises	-8,2	-11,4
	Office	-1,1	19,2		Office	-	8,3
	Total	-2,0	-6,4		Total	-4,2	21,5
Kenitra	Apartment	-1,8	7,5	Tangier	Apartment	-2,3	-11,4
	House	-10,6	26,8		House	-3,3	16,9
	Villa	0,9	-19,0		Villa	-	-
	Urban land	0,4	70,3		Urban land	-0,4	-6,7
	Business premises	-8,8	-16,8		Business premises	-12,1	33,1
	Office	-12,4	7,5		Office	-29,4	22,2
	Total	-2,3	18,5		Total	-1,9	-7,9

TECHNICAL NOTICE

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

This mechanism captures changes in property prices nationwide and by major cities for the three major types, namely residential property, urban land and commercial property, as well as for the six real estate 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 as of the 35th day following 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, categories 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.

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