

1. Overall trend of the real estate market in the third quarter of 2018

Quarter on quarter, Quarter on quarter, the Real Estate Prices Index fell 0.3 percent, covering decreases of 1.5 percent in urban land prices and 1 percent in property for professional use as well as an 0.4 percent increase in residential property.

The number of transactions reported a 1.1 percent decrease reflecting a drop in sales of urban land by 4.8 percent and assets intended for professional use by 8.2 percent. On the other hand, residential propriety transactions were up 0.8 percent.

Year on year, prices dropped 0.7 percent, reflecting declines of 0.6 percent in residential property and 0.9 percent in urban land. Conversely, property for professional use went up 1 percent. As for transactions, their number grew 0.3 percent with increases of 4.7 percent in urban land and 1.5 percent property for professional use. Conversely, sales of residential property dropped 1 percent.

- In the third quarter of the year, the Real Estate Prices Index fell 0.3 percent quarter on quarter and 0.7 percent year on year.
- The number of transactions dropped 1.1 percent quarter on quarter and rose 0.3 percent compared to the third quarter of 2017.

REPI	Change (%)	
	Q3-18/ Q2-18	Q3-18/ Q3-17
Total	-0.3 ↓	-0.7 ↓
Residential	0.4 ↑	-0.6 ↓
Apartment	0.1 ↓	-1.1 ↓
House	1.6 ↓	0.4 ↑
Villa	0.9 ↑	1.8 ↑
Urban land	-1.5 ↓	-0.9 ↓
Professional	-1.0 ↓	1.0 ↑
Business premises	2.3 ↑	3.8 ↑
Offices	-13.5 ↓	-9.7 ↓

Number of transactions	Change (%)	
	Q3-18/ Q2-18	Q3-18/ Q3-17
Total	-1.1 ↓	0.3 ↑
Residential	0.8 ↑	-1.0 ↓
Apartment	0.9 ↑	-1.7 ↓
House	5.3 ↑	10.0 ↑
Villa	-17.9 ↓	8.0 ↑
Urban land	-4.8 ↓	4.7 ↑
Professional	-8.2 ↓	1.5 ↑
Business premises	-9.1 ↓	-0.4 ↑
Offices	-1.7 ↓	14.8 ↓

In short

2. General trend by category

Residential property

Quarter on quarter, prices of residential property were up 0.4 percent with increases of 0.1 percent in apartments, 1.6 percent in houses and 0.9 percent in villas. Concerning transactions volume, it posted an overall increase of 0.8 percent, covering a rise by 0.9 percent in apartments and by 5.3 percent in houses. On the other hand, villas' sales declined 17.9 percent.

Year on year, prices fell 0.6 percent, due to a 1.1 percent decline in apartments prices, while houses' and villas' prices increased by 0.4 and 1.8 percent respectively. Concerning transactions, they dropped 1 percent, owing to a 1.7 percent drop in apartments. Conversely, houses and villas sales grew 10 percent and 8 percent respectively.

Urban land

Quarter on quarter, land prices fell 1.5 percent from a 0.9 percent rise in the previous quarter. Meanwhile, transactions dropped 4.8 percent from 6.3 percent in the previous quarter.

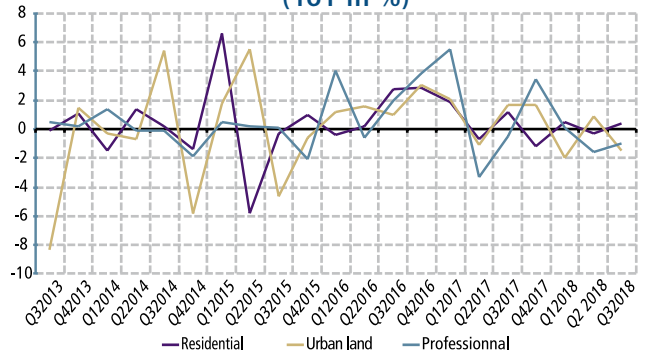
Year on year, urban land prices fell 0.9 percent while the number of transactions rose 4.7 percent.

Professional

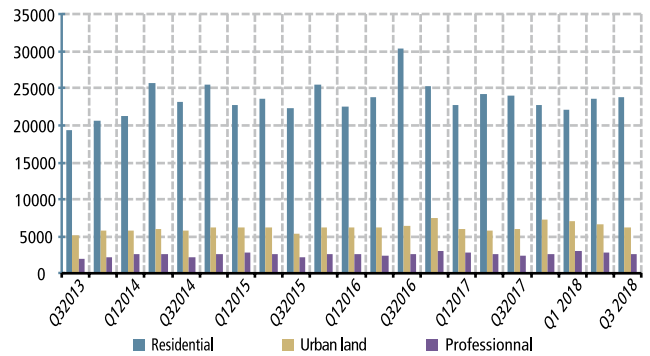
Quarter on quarter, The property for professional use index fell 1 percent during the third quarter of 2018. This trend masks a 13.5 percent decrease for offices and a 2.3 percent for commercial premises. The transactions volume, in turn, dropped by 8.2 percent with decreases of 9.1 percent for commercial premises and 1.7 percent of offices.

Year on year, prices of property for professional use rose 1 percent, reflecting an increase of 3.8 percent for commercial premises, while offices dropped 9.7 percent. As for transactions, they were up 1.5 percent in line with the 14.8 percent rise in offices sales, while commercial premises decreased by 0.4 percent.

Real estate price indexes (YoY in %)

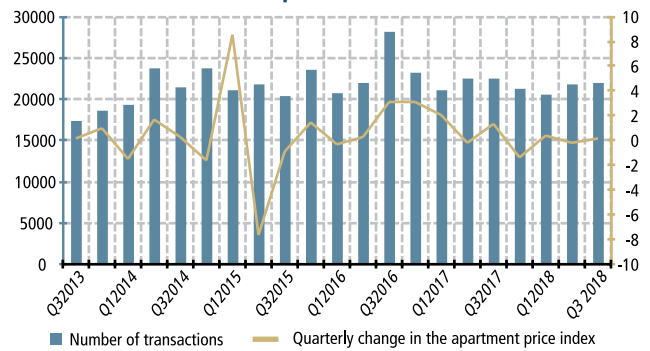


Change in the number of transactions



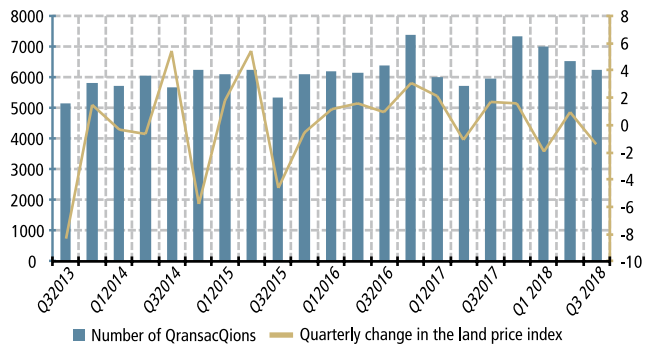
YoY change in the price index and number of transactions (in %)

Apartments



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

Urban land



3. Real estate market quarterly trend by city

In major cities, prices posted diverging trends, with increases ranging from 0.1 percent in Meknes to 4.8 percent in Oujda and decreases varying between 0.2 percent in Casablanca and Tangiers and 3.7 percent in Marrakech. As for transactions, the most significant sale increases were recorded in Oujda with 20 percent and Tangiers with 19.3 percent, while Casablanca and Marrakech posted a 10.7 percent drop.

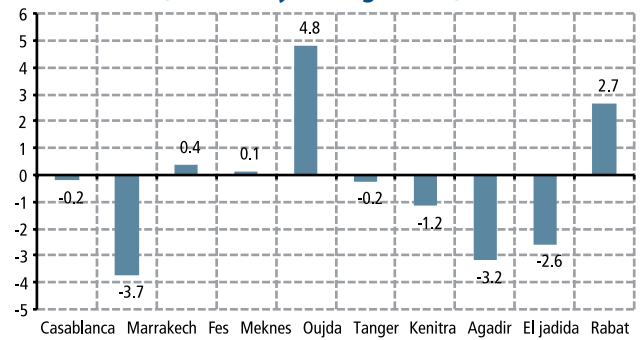
In Marrakech, prices fell 3.7 percent after a 2.7 percent rise during the previous quarter, mainly in line with the 6.6 percent drop of urban land prices. Conversely, prices of property for professional use were up 10.2 percent and apartments' prices remained virtually flat. After a 32.7 percent increase, transactions' volume dropped 10.7 percent, reflecting decreases of 38.2 percent in urban land sales and 6.6 percent in professional property. Transactions concerning apartments were up 13.4 percent.

In the city of Rabat, prices reported a 2.7 percent rise, with notably price increases of 1.5 percent in apartments and 5.3 percent in land. As for sales, after a 21.3 percent increase during the second quarter, they decreased by 6.7 percent.

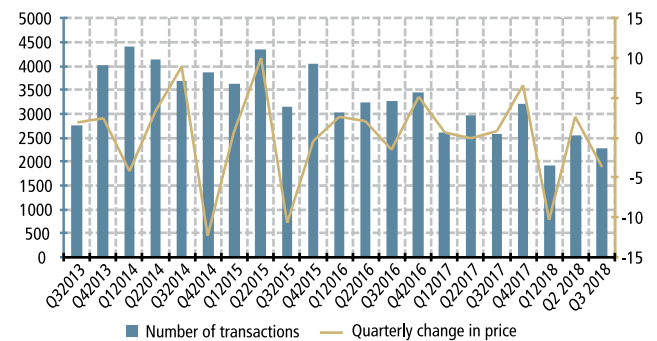
In Casablanca, the REPI fell 0.2 percent, covering respective decreases at 0.2 percent and 8.1 percent in the prices of apartments and property for professional use and a 7.6 percent increase in urban land prices. Meanwhile, the number of transactions dropped 10.7 percent, with sales decline in all assets categories, at rates of 9.6 percent for apartments, 12.8 percent for land and 18.5 percent for property for professional use.

In Tangiers, prices declined 0.2 percent. Property for professional use and urban land prices dropped 3.1 percent and 0.6 respectively, while apartment's prices were up 0.2 percent. The number of transactions, for its part, increased by 19.3 percent, in line with increases in sales of apartments by 18.5 percent, urban land by 12.5 percent and property for professional use by 27.1 percent.

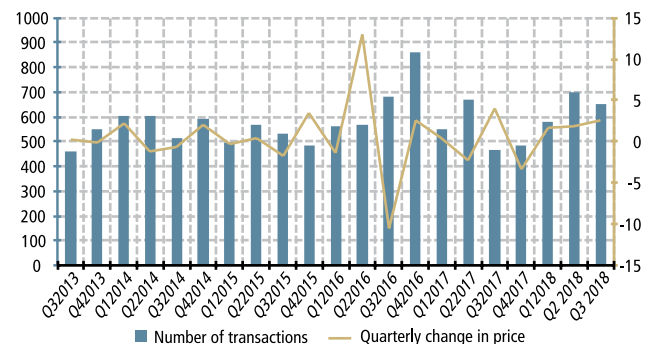
Change in property prices by city
(Quarterly change in %)



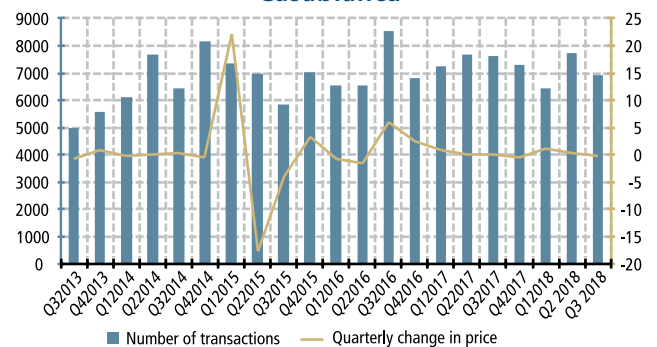
Change in property prices and transactions (in %) Marrakech



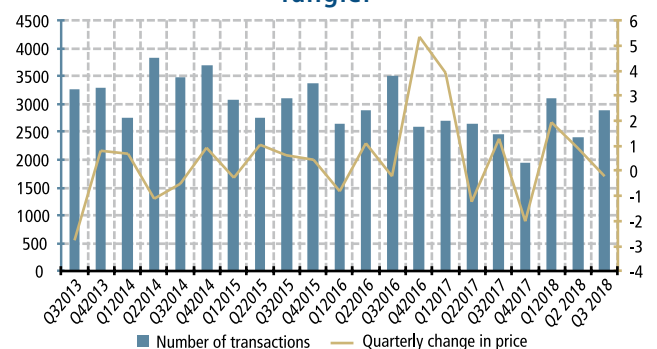
Rabat



Casablanca



Tangier



Change in the REPI in some major cities

City	Property category	Change (%)	
		Price Q3-18/ Q2-18	Transactions Q3-18/ Q2-18
Agadir	Apartment	-1.1	17.7
	House	3.1	-7.2
	Villa	-0.6	-25.0
	Urban land	-5.1	-5.3
	Business premises	-11.6	-22.4
	Office	-21.7	-21.1
	Total	-3.2	3.9
Casablanca	Apartment	-0.2	-9.6
	House	4.1	8.8
	Villa	-6.1	-20.4
	Urban land	7.6	-12.8
	Business premises	1.9	-20.8
	Office	-22.2	-2.8
	Total	-0.2	-10.7
El Jadida	Apartment	-5.1	-2.7
	House	-2.3	-28.2
	Villa	64.1	-
	Urban land	3.5	-0.7
	Business premises	4.8	-5.7
	Office	-	-
	Total	-2.6	-2.8
Fes	Apartment	-0.3	3.1
	House	15.4	66.7
	Villa	-4.1	-28.6
	Urban land	0.1	-12.5
	Business premises	1.0	6.4
	Office	-12.8	-53.1
	Total	0.4	-1.7
Kenitra	Apartment	-1.6	11.2
	House	0.7	8.5
	Villa	-3.2	-46.2
	Urban land	-2.2	-10.5
	Business premises	11.5s	-1.7
	Office	3.8	69.0
	Total	-1.2	5.7

City	Property category	Change (%)	
		Price Q3-18/ Q2-18	Transactions Q3-18/ Q2-18
Marrakech	Apartment	-0.1	13.4
	House	5.4	-36.8
	Villa	-4.9	-23.8
	Urban land	-6.6	-38.2
	Business premises	10.1	-7.4
	Office	-	-
	Total	-3.7	-10.7
Meknès	Apartment	5.6	-9.3
	House	-4.6	-24.4
	Villa	1.4	-14.3
	Urban land	-1.5	-7.1
	Business premises	-6.1	-10.8
	Office	-	-
	Total	0.1	-9.4
Oujda	Apartment	0.9	-20.5
	House	3.8	78.6
	Villa	-	-
	Urban land	6.7	51.8
	Business premises	-	-
	Office	-	-
	Total	4.8	20.0
Rabat	Apartment	1.5	1.7
	House	-3.0	-31.3
	Villa	-1.5	-27.8
	Urban land	-5.3	-18.8
	Business premises	49.4	-51.6
	Office	-	-
	Total	2.7	-6.7
Tangier	Apartment	0.2	18.5
	House	3.2	67.3
	Villa	13.5	0.0
	Urban land	-0.6	12.5
	Business premises	-6.8	18.6
	Office	28.8	-
	Total	-0.2	19.3

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.