

1. Overall trend of the real estate market in the 4th quarter of 2018

Quarter on quarter, the Real Estate Prices Index (REPI) grew 0.3 percent, covering a stagnation in residential property prices and rises by 0.8 percent in urban land prices and 1.4 percent in property for professional use.

The number of transactions increased 11.2 percent, with growth in sales at 9.1 percent for residential property, at 15.7 percent for urban land and at 20.5 percent for professional use.

Year on year, prices dropped 0.4 percent, reflecting declines of 2.4 percent in urban land and 1.2 percent for property for professional use. In contrast, residential prices rose 0.8 percent. As to transactions, their number increased 12.4 percent, with rises at 16 percent for residential property and 18.3 percent for property for professional use. Conversely, urban land sales dropped 0.7 percent.

After rising 5.3 percent in 2017, real estate prices stabilized in 2018 for all asset categories.

In turn, transactions rose 4.5 percent after dropping 6.8 percent in 2017. This increase in sales concerned all asset categories, with rates at 2.9 for residential assets, 8.4 percent for urban land and 9.1 for property for professional use.

- In the fourth quarter of 2018, the Real Estate Price Index rose 0.3 percent quarter on quarter and dropped 0.4 percent year on year.
- The number of transactions rose by 11.2 percent quarter on quarter and by 12.4 percent compared to the fourth quarter of 2017.

REPI	Change (in %)	
	Q4-18/ Q3-18	Q4-18/ Q4-17
Total	0.3 ↑	-0.4 ↓
Residential	0.0	0.8 ↑
Apartment	0.1 ↑	0.6 ↑
House	-1.2 ↓	0.8 ↑
Villa	1.5 ↑	5.9 ↑
Urban land	0.8 ↑	-2.4 ↓
Professionnal	1.4 ↑	-1.2 ↓
Business premises	-1.1 ↓	-0.5 ↓
Offices	12.0 ↑	-3.3 ↓

Number of transactions	Change (in %)	
	Q4-18/ Q3-18	Q4-18/ Q4-17
Total	11.2 ↑	12.4 ↑
Residential	9.1 ↑	16.0 ↑
Apartment	8.1 ↑	14.6 ↑
House	17.1 ↑	30.7 ↑
Villa	32.0 ↑	39.7 ↑
Urban land	15.7 ↑	-0.7 ↓
Professionnal	20.5 ↑	18.3 ↑
Business premises	21.3 ↑	16.6 ↑
Offices	14.8 ↑	30.7 ↑

In short

2. General trend by asset category

Résidential

Quarter on quarter, prices of residential property stagnated, covering virtual stagnation for apartments, a rise by 1.5 percent for villas and a drop by 1.2 percent for houses. As to the volume of transactions, it increased by 9.1 percent, reflecting rises by 8.1 percent in the sales of apartments, 17.1 percent in houses and 32 percent in villas.

Year on year, prices rose 0.8 percent, with growth by 0.6 percent for apartments, 0.8 percent for houses and 5.9 percent for villas. Concerning sales, they rose 16 percent, with increases by 14.6 percent for apartments, 30.7 percent for houses and 39.7 percent for villas.

Urban land

Quarter on quarter, land prices rose 0.8 percent after a 1.9 percent drop in the previous quarter. Meanwhile, transactions grew by 15.7 percent after a 4 percent drop.

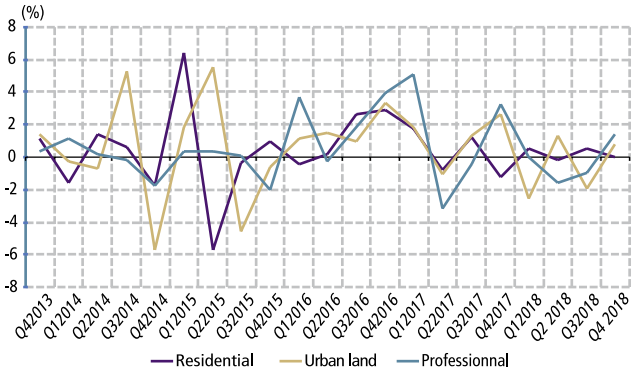
Year on year, land prices decreased by 2.4 percent and the number of transactions dropped by 0.7 percent.

Professional

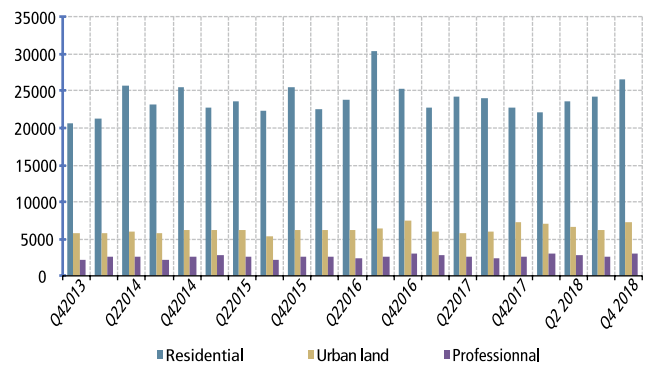
After dropping 0.9 percent, the property for professional use index rose by 1.4 percent in the fourth quarter of 2018. This trend masks a 12 percent increase for offices and a 1.1 percent drop for commercial premises. The transactions volume, in turn, increased by 20.5 percent, as a result of a 21.3 percent rise in the sales of commercial premises and 14.8 percent of offices.

Year on year, prices of property for professional use dropped 1.2 percent, reflecting a decrease in prices by 0.5 percent for commercial premises and 3.3 percent for offices. As for transactions, they were up 18.3 percent in line with a rise by 16.6 percent in sales of commercial premises and 30.7 percent in sales of offices.

Real estate price indexes by category (Quarter on quarter)



Change in the number of transactions (in %)



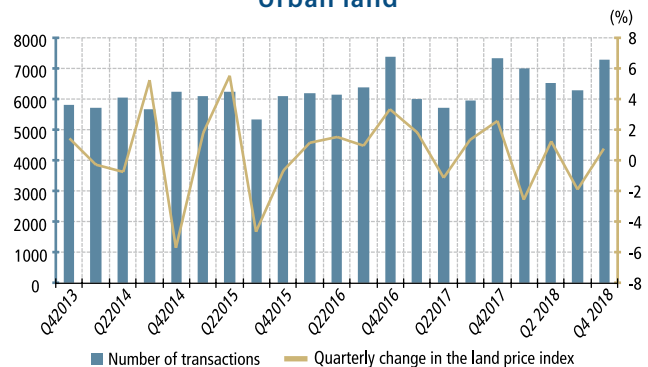
Change in the price index and number of transactions (in %)

Apartments



Change in the price index and number of transactions (in %)

Urban land



3. Quarter on quarter change in the real estate market by city

In Rabat, prices increased quarter on quarter by 0.7 percent for residential property and 2.9 percent for urban land. Conversely, they dropped by 17.4 percent for property for professional use. Transactions were on the rise for all asset categories with an overall rate of 9.4 percent.

For the whole of the year, prices rose 3.7 percent, after dropping 1.3 percent in 2017 and transactions rose 22.7 percent, resuming thereby their level of 2016.

In Casablanca, prices stagnated from one quarter to the next, covering decreases of 0.4 percent for residential property and 3.2 percent for urban land, as well as an increase of 6.2 percent for property for professional use. Sales rose by 7.4 percent, mainly reflecting increases in residential and professional property sales.

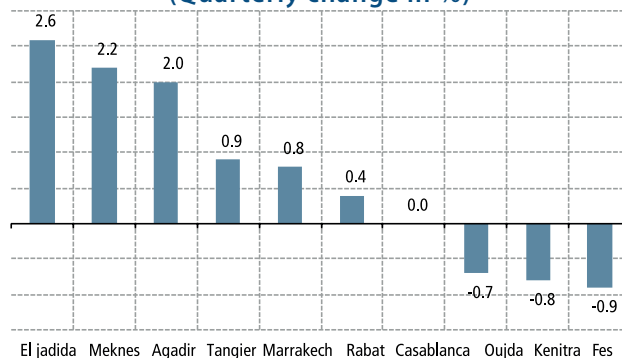
Over the year as a whole, the price index rose 1.3 percent, with increases of 1.5 percent for residential property and 1.4 percent for urban land, while the prices of property for professional use have decreased by 0.9 percent. At the same time, transactions fell by 3.8 percent, reflecting a 7.7 percent decline in apartment sales.

In Marrakech, prices increased by 0.8 percent quarter-on-quarter, with an increase of 1.1 percent for residential property and declines of 0.5 percent and 2 percent respectively for urban land and property for professional use. At the same time, transactions rose by 18.6 percent, mainly reflecting higher sales of urban land. For the year as a whole, prices were down 5.5 percent and sales fell by 16 percent.

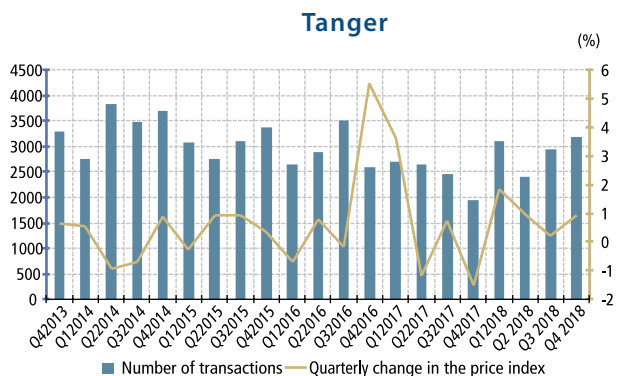
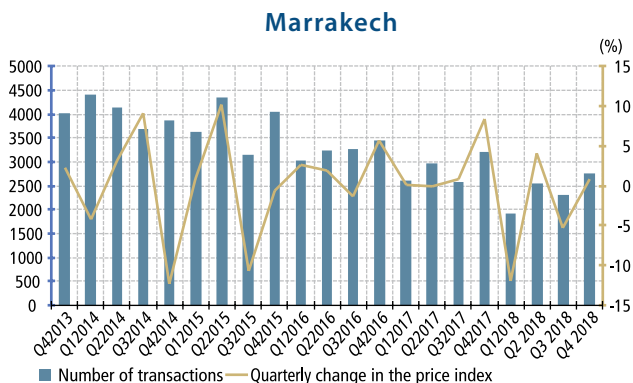
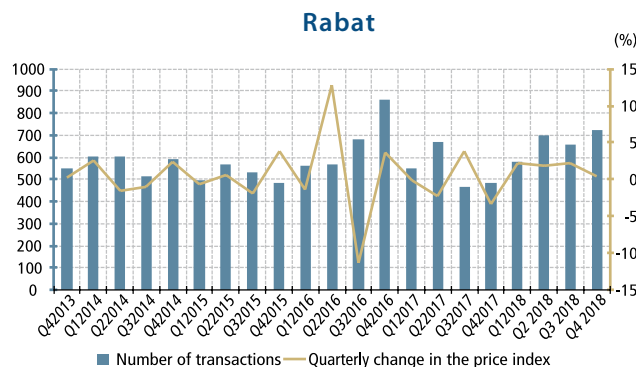
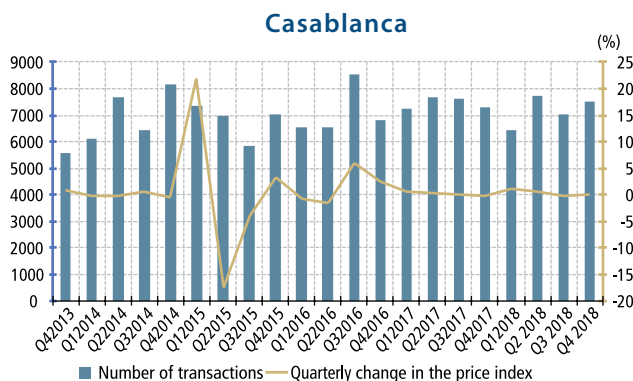
In Tangiers, the price index posted an increase of 0.9 percent compared to Q3-2018, with increases of 0.8 percent for residential property, 0.9 percent for urban land and 3.4 percent for property for professional use. Along the same lines, sales increased by 8.5 percent, mainly due to the increase in apartment sales.

For the year as a whole, prices were up 1.8 percent overall, with rates at 1.7 percent for residential property, 2.3 percent for urban land and 5.9 percent for property for professional use. The number of transactions increased by 19.8 percent, after three consecutive years of decline.

Change in REPI by city
(Quarterly change in %)



Change in REPI and transactions (in %)



Change in the REPI in some major cities

Ville	Property category	Change (%)		City	Property category	Change (%)	
		Price Q-18/ Q3-18	Transactions Q4-18/ Q3-18			Price Q4-18/ Q3-18	Transactions Q4-18/ Q3-18
Agadir	Apartment	0.0	10.7	Marrakech	Apartment	0.7	-0.5
	House	1.3	10.4		House	1.3	16.0
	Villa	3.0	45.0		Villa	-0.7	44.9
	Urban land	5.5	17.1		Urban land	-0.5	62.5
	Business premises	4.5	1.7		Business premises	-2.0	19.1
	Office	-	-		Office	-	-
	Total	2.0	12.4		Total	0.8	18.6
Casablanca	Apartment	-0.5	4.0	Meknès	Apartment	-1.7	38.7
	House	-0.1	28.5		House	1.4	38.5
	Villa	-1.1	-4.6		Villa	3.6	-
	Urban land	-3.2	3.5		Urban land	4.6	24.7
	Business premises	-1.7	42.8		Business premises	6.2	33.1
	Office	20.4	-4.9		Office	-	-
	Total	0.0	7.4		Total	2.2	34.7
El Jadida	Apartment	3.1	29.3	Oujda	Apartment	-4.0	-4.2
	House	0.1	48.3		House	-1.9	1.5
	Villa	6.3	-		Villa	-12.0	-
	Urban land	0.8	25.3		Urban land	0.7	0.9
	Business premises	-9.4	38.5		Business premises	-	-
	Office	-	-		Office	-	-
	Total	2.6	30.1		Total	-0.7	1.5
Fès	Apartment	-0.1	16.5	Rabat	Apartment	0.8	0.9
	House	-10.5	-6.7		House	-3.6	56.5
	Villa	12.2	60.0		Villa	-0.5	42.3
	Urban land	-1.9	4.9		Urban land	2.9	44.4
	Business premises	-2.1	4.5		Business premises	-22.7	54.8
	Office	11.4	-		Office	-	-
	Total	-0.9	14.1		Total	0.4	9.4
Kénitra	Apartment	0.2	4.2	Tanger	Apartment	0.8	9.1
	House	-5.4	-13.9		House	2.4	-14.8
	Villa	1.1	-		Villa	-29.2	42.9
	Urban land	2.7	22.9		Urban land	0.9	13.5
	Business premises	-10.1	12.8		Business premises	3.7	9.3
	Office	-12.0	-28.2		Office	1.7	-31.3
	Total	-0.8	7.0		Total	0.9	8.5

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.