

1. GENERAL TREND OF THE REAL ESTATE MARKET IN THE 1ST QUARTER OF 2019

Quarter-to-quarter the real estate asset price index (REPI) declined 0.7 percent, covering declines of 1.1 percent for residential properties and 0.4 percent for urban land, and a 0.9 percent increase for commercial properties.

The volume of transactions decreased by 12.7 percent, showing decreases for all categories, with 13.4 percent for residential properties, 12.2 percent for urban land and 8.5 percent for commercial properties.

Year-on-year, prices fell 0.2 percent, reflecting declines of 0.3 percent for residential properties and 0.5 percent for commercial ones, while prices of urban lands were up 0.3 percent. As for transactions, their number increased by 1.1 percent, with a 4.5 percent rise in residential properties.

However, Sales of land and commercial properties decreased by 7.4 percent and 4 percent respectively.

- In the first quarter of the year, the Real Estate Price Index (REPI) fell 0.7 percent quarter-to-quarter and 0.2 percent year-on-year.
- The number of transactions decreased by 12.7 percent from one quarter to the next and increased by 1.1 percent compared to the first quarter of 2018.

REPI	Change (%)	
	Q1-19/ Q4-18	Q1-19/ Q1-18
Total	-0.7 ↓	-0.2 ↓
Residential	-1.1 ↓	-0.3 ↓
Apartment	-0.9 ↓	-0.2 ↓
House	-1.3 ↓	-1.4 ↓
Villa	-5.1 ↓	0.0
Urban land	-0.4 ↓	0.3 ↑
Commercial property	0.9 ↑	-0.5 ↓
Business premises	0.1 ↑	-0.2 ↓
Offices	3.6 ↑	-3.2 ↓

Number of transactions	Change (%)	
	Q1-19/ Q4-18	Q1-19/ Q1-18
Total	-12.7 ↓	1.1 ↑
Residential	-13.4 ↓	4.5 ↑
Apartment	-13.0 ↓	4.4 ↑
House	-15.8 ↓	6.6 ↑
Villa	-21.5 ↓	2.7 ↑
Urban land	-12.2 ↓	-7.4 ↓
Commercial property	-8.5 ↓	-4.0 ↓
Business premises	-11.0 ↓	-6.3 ↓
Offices	8.2 ↑	11.0 ↑

In short

2. General trend by category of assets

Residential property

Quarter-to-quarter, prices of residential properties decreased by 1.1 percent, reflecting declines in all assets categories, with 0.9 percent for apartments, 1.3 percent for houses and 5.1 percent for villas. The volume of transactions fell by 13.4 percent, due to the decline in the sales of apartments by 13 percent, houses by 15.8 percent and villas by 21.5 percent.

Year on year, assets depreciated by 0.3 percent, due to the fall of prices by 0.2 percent for apartments, 1.4 percent for houses, while prices of villas did not change. On the other hand, sales grew by 4.5 percent, reflecting rises by 4.4 percent for apartments, 6.6 percent for houses and 2.7 percent for villas.

Urban land

Quarter on quarter, prices of urban lands fell 0.4 percent after having risen by 1.4 percent a quarter earlier. Transactions, meanwhile, fell 12.2 percent after their 17.2 percent increase.

On a year-on-year basis, urban land prices rose by 0.3 percent, while the number of transactions dropped by 7.4 percent.

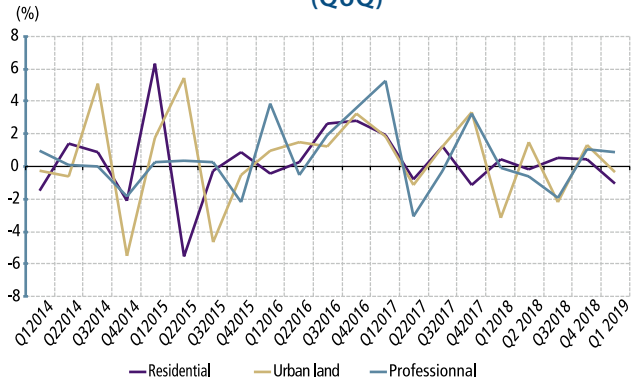
Commercial property

The price index for professional goods increased by 0.9 percent quarter-to-quarter, as a result of price rises by 0.1 percent for business premises and 3.6 percent for offices.

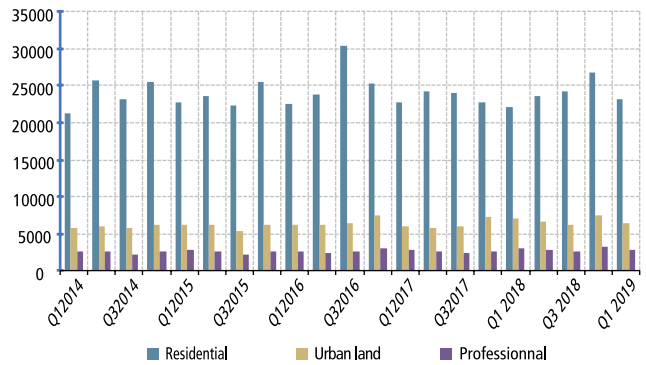
The volume of transactions decreased by 8.5 percent, covering an 11 percent decline in sales of commercial premises and an 8.2 percent increase in sales of offices.

Year-on-year, prices of commercial properties were 0.5 percent lower, reflecting a decrease by 0.2 percent for commercial premises and 3.2 percent for offices. Transactions fell by 4 percent, due to the 6.3 percent decrease in sales for commercial premises, while those of offices grew by 11 percent.

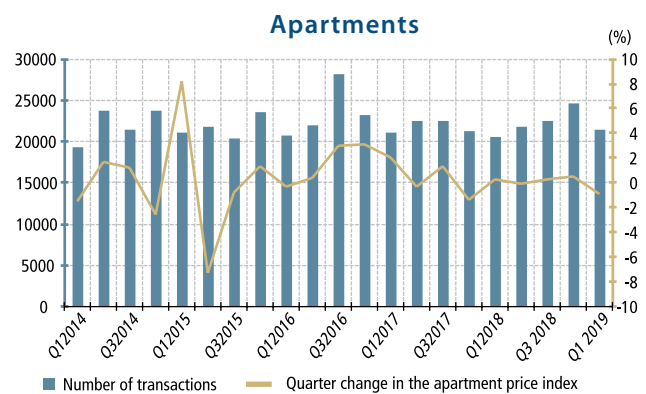
Real estate price indexes by category, (QoQ)



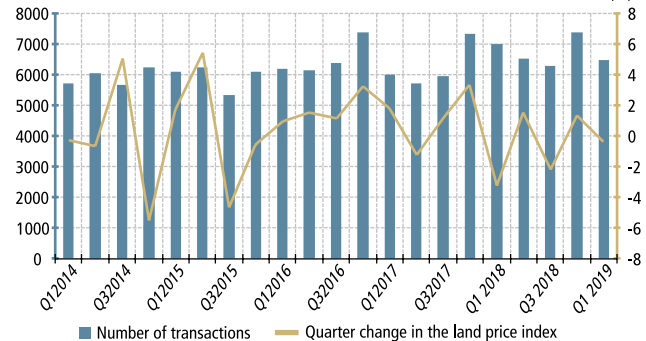
Change in the number of transactions



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



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



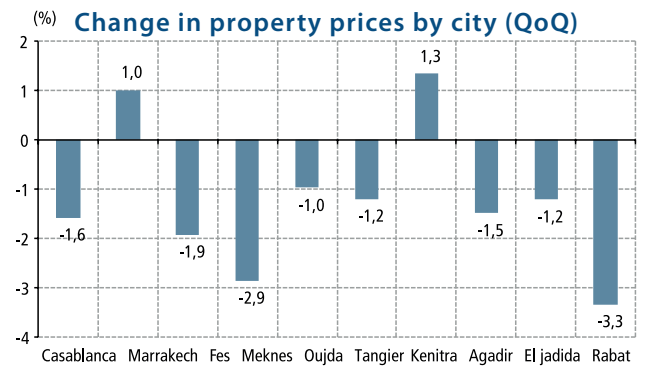
3. Trend of real estate market by city, quarter-to-quarter

In **Rabat**, prices fell by 3.3 percent quarter on quarter, with declines of 2.4 percent for residential and 11.9 percent for urban land. Transactions also decreased by 11.9 percent, covering sales declines by 14.8 percent for residential properties and 22.5 percent for urban land and a 28.6 percent increase of commercial property.

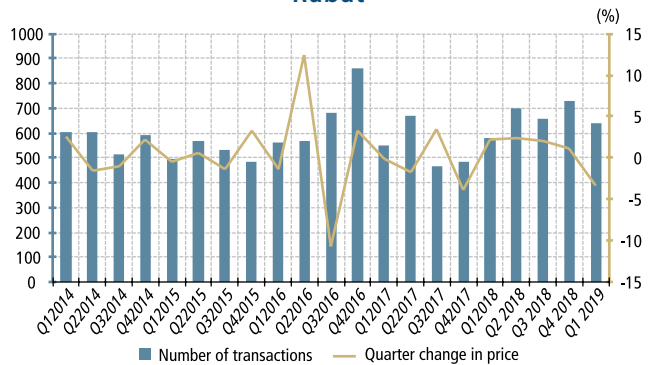
In **Casablanca**, prices fell 1.6 percent quarter-to-quarter, with declines of 1.4 percent and 6.2 percent respectively for residential properties and urban land, and an increase of 3.9 percent for commercial properties. Sales decreased by 6.5 percent, mainly reflecting decreases of 7.8 percent for residential properties and 3 percent for commercial properties.

In **Marrakesh**, prices rose 1 percent in the first quarter of 2019, covering their growth by 0.4 percent for residential properties and 1 percent for urban land, as well as a 0.5 percent decline in prices for commercial properties. At the same time, transactions contracted by 34.9 percent, with sales down 33.3 percent for residential properties and 40.4 percent for urban land.

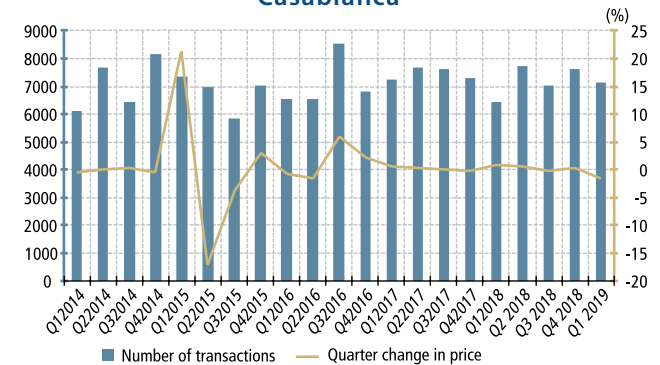
In **Tangier**, the price index fell by 1.2 percent, mainly as prices decreased by 2.1 percent for residential property and 0.6 percent for urban land. Sales also declined by 21.9 percent, due to their drop by 21.7 percent for residential properties, 21.5 percent for land and 25.8 percent for commercial properties.



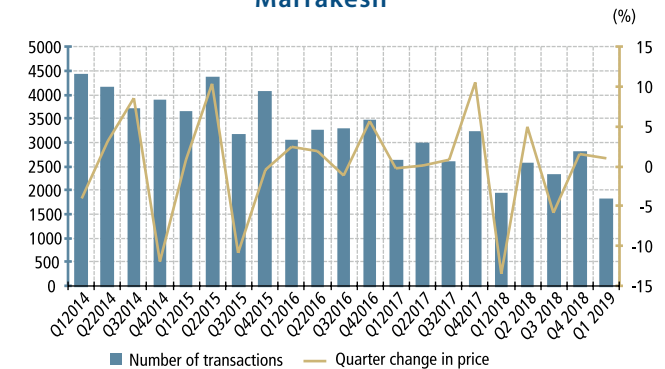
Change in property prices (%) and transactions in Rabat



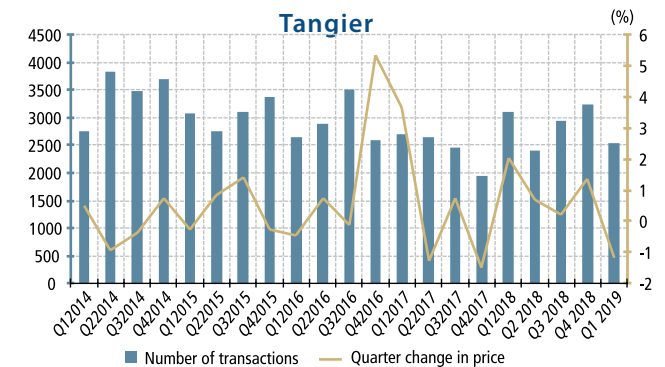
Casablanca



Marrakesh



Tangier



Change in the REPI in some major cities

City	Property category	Change (%)	
		Prix Q1-19/ Q4-18	Transaction Q1-19/ Q4-18
Agadir	Apartment	-1.0	-16.3
	House	-6.9	-21.3
	Villa	-8.2	-42.4
	Urban land	0.2	-31.8
	Business premises	-0.8	-1.7
	Office	-	-
	Total	-1.5	-19.4
Casablanca	Apartment	-1.3	-7.0
	House	0.1	-30.5
	Villa	-2.7	-12.1
	Urban land	-6.2	5.1
	Business premises	0.6	-4.4
	Office	12.9	8.9
	Total	-1.6	-6.5
El Jadida	Apartment	0.0	-28.1
	House	-1.5	-27.9
	Villa	-22.0	60.0
	Urban land	-2.4	-6.4
	Business premises	1.7	-8.3
	Office	-	-
	Total	-1.2	-23.4
Fes	Apartment	-5.0	-20.7
	House	-0.3	-14.3
	Villa	-29.4	-56.3
	Urban land	1.0	12.3
	Business premises	4.5	-0.7
	Office	-7.4	-12.0
	Total	-1.9	-11.7
Kenitra	Apartment	-1.7	-10.0
	House	2.6	-5.6
	Villa	6.8	-10.0
	Urban land	5.6	-24.9
	Business premises	-0.2	-17.0
	Office	2.4	37.0
	Total	1.3	-12.3

City	Property category	Change (%)	
		Prix Q1-19/ Q4-18	Transaction Q1-19/ Q4-18
Marrakech	Apartment	0.5	-37.6
	House	1.5	17.9
	Villa	1.6	-12.7
	Urban land	1.0	-40.4
	Business premises	-0.7	-14.5
	Office	-	-
	Total	1.0	-34.9
Meknès	Apartment	-3.2	-22.5
	House	-2.3	-36.7
	Villa	-3.0	23.1
	Urban land	-1.5	-3.3
	Business premises	-2.8	-37.2
	Office	3.2	36.4
	Total	-2.9	-19.6
Oujda	Apartment	0.8	-18.0
	House	-3.1	-2.1
	Villa	-	-
	Urban land	-1.0	-23.8
	Business premises	-8.7	-20.6
	Office	-	-
	Total	-1.0	-18.6
Rabat	Apartment	-1.4	-13.8
	House	-13.0	-40.5
	Villa	-0.9	-5.1
	Urban land	-11.9	-22.5
	Business premises	3.7	10.4
	Office	7.9	-
	Total	-3.3	-11.9
Tangier	Apartment	-2.6	-21.7
	House	-1.8	-21.1
	Villa	7.0	-30.0
	Urban land	-0.6	-21.5
	Business premises	-0.6	-27.2
	Office	-4.4	-13.6
	Total	-1.2	-21.9

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.