

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

Quarter-to-quarter, the REPI dropped anew in Q2-2019 by 0.6 percent. This drop concerned all categories of properties, reaching 0.4 percent for residential properties, 0.8 percent for urban lands and 1.5 percent for commercial properties. Similarly, after their quarterly decrease by 12.3 percent in Q1-2019, the number of transactions fell by 7.3 percent, covering decreases by 3 percent for residential properties, 19.3 percent for urban lands and 15 percent for commercial properties.

Year-on-year, prices of real estate assets decreased by 0.9 percent, covering falls by 0.3 percent for residential properties, 1.9 percent for urban lands and 1.4 percent for commercial properties. On the other hand, the number of transactions fell by 8 percent overall, covering drops by 4.4 for residential properties, 20.1 percent for urban lands, and 10.5 percent for commercial properties.

- After its Q1-2019 drop, the REPI fell anew in the second quarter.
- The number of transactions also shrank by 7.3 percent, after their 12.3 percent fall in the first quarter of the year.

REPI	Change (%)	
	Q2-19/ Q1-19	Q2-19/ Q2-18
Total	-0.6 ↓	-0.9 ↓
Residential	-0.4 ↓	-0.3 ↓
Apartment	-0.3 ↓	-0.2 ↓
House	-1.1 ↓	-1.0 ↓
Villa	0.2 ↑	-1.5 ↓
Urban land	-0.8 ↓	-1.9 ↓
Commercial property	-1.5 ↓	-1.4 ↓
Business premises	-1.6 ↓	-1.0 ↓
Offices	-1.0 ↓	-4.3 ↓

Number of transactions	Change (%)	
	Q2-19/ Q1-19	Q2-19/ Q2-18
Total	-7.3 ↓	-8.0 ↓
Residential	-3.0 ↓	-4.4 ↓
Apartment	-2.6 ↓	-4.1 ↓
House	-11.6 ↓	-5.4 ↓
Villa	2.4 ↑	-11.0 ↓
Urban land	-19.3 ↓	-20.1 ↓
Commercial property	-15.0 ↓	-10.5 ↓
Business premises	-16.6 ↓	-14.7 ↓
Offices	-5.9 ↓	18.1 ↑

In short

2. General trend by category of assets

Residential property

Quarter-to-quarter, prices of residential properties fell by 0.4 percent, reflecting decreases in the prices of apartments and houses by 0.3 percent and 1.1 percent, respectively, while prices of villas rose slightly by 0.2 percent. As for transactions, their 3 percent drop reflects the decrease by 2.6 percent in the sales of apartments, and by 11.6 percent in those of houses, while purchases of villas rose by 2.4 percent.

Year-on-year, prices of residential properties fell by 0.3 percent, due to the decrease by 0.2 in apartments, 1 percent in houses, and 1.5 percent in villas. On the other hand, transactions decreased by 4.4 percent, reflecting declines by 4.1 percent in the sales of for apartments, 5.4 percent for houses and 11 percent for houses.

Urban land

Quarter-to-quarter, prices of urban lands fell by 0.8 percent. Similarly, transactions decreased by 19.3 percent.

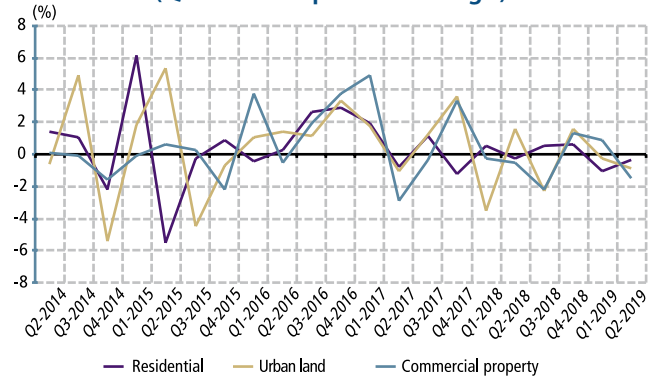
Year-on-year, prices fell by 1.9 percent, and the number of transactions shrank by 20.1 percent.

Commercial property

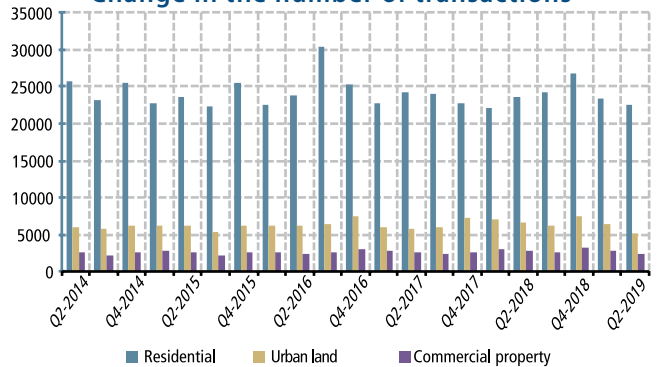
Quarter-to-quarter, prices of commercial properties fell by 1.5 percent, due to the respective decreases by 1.6 percent and 1 percent in the prices of commercial properties and offices. Moreover, the number of transactions fell by 15 percent, covering falls by 16.6 percent for commercial properties and 5.9 percent for offices.

Year-on-year, prices fell by 1.4 percent, covering decreases by 1 and 4.3 percent in the prices of commercial properties and offices, respectively. Besides, transactions dropped by 10.5 percent, due to the 14.7 percent fall in the sale of commercial premises, while sales of offices rose by 18.1 percent.

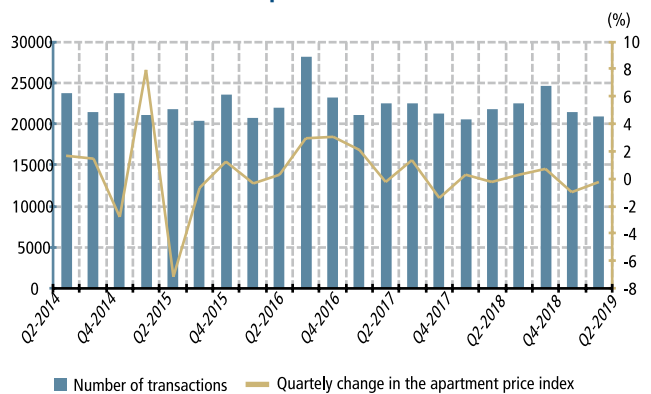
Real estate price indexes by category, (Quarter to quarter change)



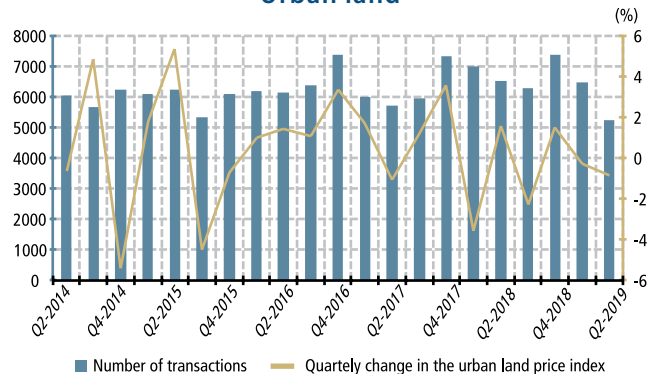
Change in the number of transactions



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



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



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

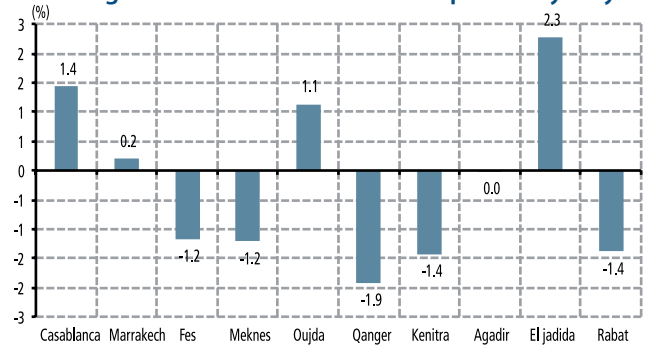
In **Rabat**, prices fell by 1.4 percent quarter to quarter, covering drops by 1 percent for residential properties, and 13.7 percent for commercial properties, while urban lands rose by 3.1 percent. Transactions also decreased by 11.4 percent, reflecting lower sales of residential properties by 7.9 percent, in urban lands by 12.9 percent and in commercial properties by 38.9 percent.

In **Casablanca**, prices were up by 1.4 percent from one quarter to the other, covering respective rises by 0.7 percent and 8 percent for residential properties and urban lands, while prices of commercial properties remained unchanged. Moreover, sales grew 1.5 percent, due to their 4.4 percent rise in residential properties and to the 2 percent and 14.6 percent decreases of urban lands and commercial properties, respectively.

In **Marrakesh**, prices recorded a slight increase, by 0.2 percent, covering 0.5 percent higher prices of urban lands and 0.7 lower prices of commercial properties. On the other hand, transactions grew by 7.6 percent, after their 34.7 percent fall in the previous quarter, due to the 24 percent higher sales of residential properties, while sales of urban lands decreased by 16.6 percent and 23.1 percent, respectively.

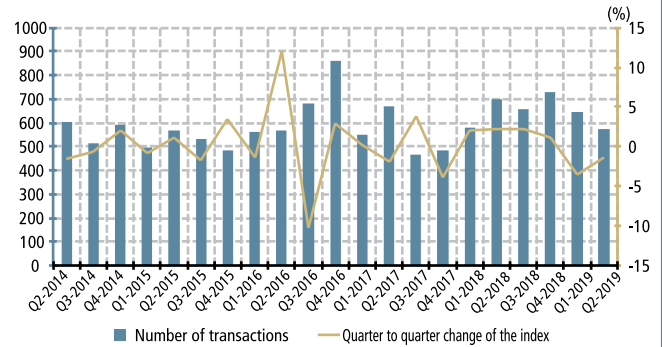
In **Tangier**, the price index fell by 1.9 percent, mainly as prices decreased by 1.5 percent for residential properties, 2.1 percent for urban land, and 2.9 percent for commercial properties. Moreover, transactions shrank by 1.5 percent, due to the 28.7 percent drop in those of urban lands, while sales of residential properties and commercial properties increased by 0.6 percent and 22.2 percent, respectively.

Change in the real estate assets prices by city

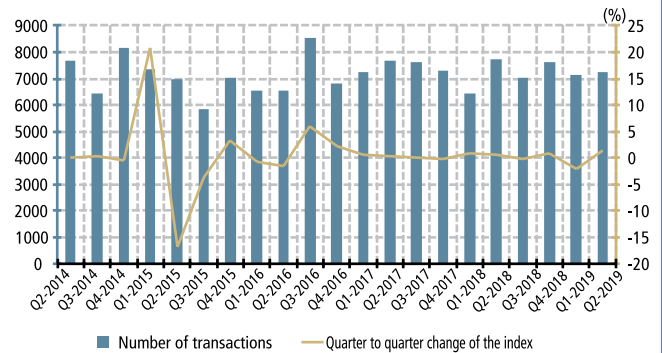


Change in the REPI (%) and number of transactions

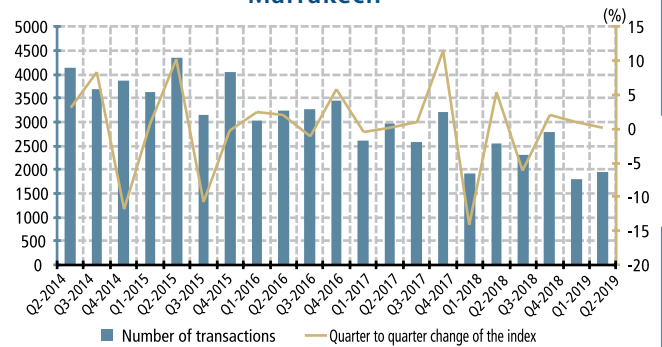
Rabat



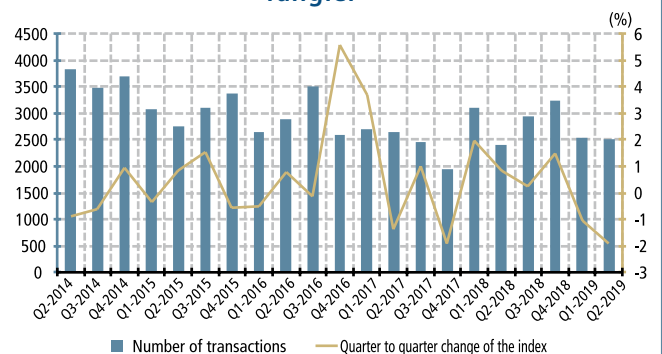
Casablanca



Marrakech



Tangier



Change in the REPI in some major cities

City	Property category	Change (%)	
		Price Q2-19/ Q1-19	Transaction Q2-19/ Q1-19
Agadir	Apartment	-1.0	-13.1
	House	4.1	15.0
	Villa	1.2	-17.6
	Urban land	-1.0	-10.6
	Business premises	2.0	-30.5
	Office	-12.7	-10.3
	Total	0.0	-12.0
Casablanca	Apartment	1.0	4.6
	House	-2.1	6.6
	Villa	-1.3	-6.2
	Urban land	8.0	-2.0
	Business premises	0.2	-16.2
	Office	-3.3	-2.7
	Total	1.4	1.5
El Jadida	Apartment	1.5	-4.4
	House	5.9	61.3
	Villa	3.1	4.2
	Urban land	2.1	-6.8
	Business premises	4.8	-14.1
	Office	-	-
Total	2.3	-2.9	
Fes	Apartment	0.4	-5.4
	House	-1.6	83.3
	Villa	-0.2	14.3
	Urban land	-1.2	-26.8
	Business premises	-6.1	-30.4
	Office	-0.8	-32.1
Total	-1.2	-14.6	
Kenitra	Apartment	1.1	-7.4
	House	-3.4	-15.5
	Villa	-17.5	-29.6
	Urban land	-2.2	-23.9
	Business premises	-0.1	-7.3
	Office	8.2	-1.4
Total	-1.4	-11.0	

City	Property category	Change (%)	
		Price Q2-19/ Q1-19	Transaction Q2-19/ Q1-19
Marrakech	Apartment	-0.1	27.7
	House	-5.2	17.0
	Villa	5.3	-17.5
	Urban land	0.5	-16.6
	Business premises	0.6	-22.5
	Office	-	-
	Total	0.2	7.6
Meknes	Apartment	-1.2	-7.9
	House	-1.2	12.3
	Villa	-0.3	-50.0
	Urban land	-1.9	-19.4
	Business premises	-0.5	-27.4
	Office	-	-
Total	-1.2	-12.7	
Oujda	Apartment	-0.4	-23.7
	House	0.6	-43.7
	Villa	-	-
	Urban land	1.8	-10.6
	Business premises	-7.3	-33.3
	Office	-	-
Total	1.1	-23.6	
Rabat	Apartment	-1.1	-10.9
	House	3.9	27.3
	Villa	-5.2	10.8
	Urban land	3.1	-12.9
	Business premises	-10.5	-34.0
	Office	-	-
Total	-1.4	-11.4	
Tangier	Apartment	-2.6	-0.4
	House	2.6	25.0
	Villa	3.8	85.7
	Urban land	-2.1	-28.7
	Business premises	-0.5	2.2
	Office	-12.5	-
Total	-1.9	-1.5	

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.