

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

Quarter-to-quarter, the Real Estate Price Index (REPI) rose by 0.9 percent. This trend reflects the increase in prices for all properties categories, with 0.9 percent for residential properties, 0.6 percent for urban lands and 1.7 percent for properties used for professional purposes. Similarly, and after a quarterly decline of 5.2 percent, the number of transactions increased by 6 percent in the third quarter of 2019, reflecting increases of 3.7 percent for residential property, 18.6 percent for urban lands and 0.7 percent for properties used for professional purposes.

Year on year, real estate prices rose by 0.9 percent with increases of 0.4 percent for residential properties, 1.5 percent for urban lands and 2.2 percent for properties used for professional purposes. Regarding the number of transactions, it declined by 0.8 percent, reflecting drops in sales of 0.8 percent for residential properties, 0.2 percent for urban lands and 2.5 percent for properties used for professional purposes.

REPI

	Change (%)	
	Q3-19/ Q2-19	Q3-19/ Q3-18
Total	0,9 ↑	0,9 ↑
Residential	0,9 ↑	0,4 ↑
Apartment	1,0 ↑	0,8 ↑
House	0,2 ↑	-1,6 ↓
Villa	0,6 ↑	-2,4 ↓
Urban land	0,6 ↑	1,5 ↑
Commercial property	1,7 ↑	2,2 ↑
Business premises	1,6 ↑	-0,4 ↓
Offices	1,9 ↑	12,0 ↑

Number of transactions

	Change (%)	
	Q3-19/ Q2-19	Q3-19/ Q3-18
Total	6,0 ↑	-0,8 ↓
Residential	3,7 ↑	-0,8 ↓
Apartment	3,9 ↑	-0,5 ↓
House	8,0 ↑	-2,7 ↓
Villa	-17,8 ↓	-10,8 ↓
Urban land	18,6 ↑	-0,2 ↓
Commercial property	0,7 ↑	-2,5 ↓
Business premises	6,1 ↑	-1,2 ↓
Offices	-25,8 ↓	-11,0 ↓

2. General trend by category of assets

Residential property

Quarter-to-quarter, residential property prices rose by 0.9 percent, translating increases of 1 percent for apartments, 0.2 percent for houses and 0.6 percent for villas. Transactions were up to 3.7 percent, covering increases of 3.9 percent for apartments and 8 percent for houses, and a decline of 17.8 percent for villas.

Year on year, residential property prices rose by 0.4 percent, covering a 0.8 percent increase for apartments and decreases by 1.6 percent for houses and 2.4 percent for villas. As for transactions, they fell by 0.8 percent, as a result of the decline in sales for all property categories, with rates of 0.5 percent for apartments, 2.7 percent for houses and 10.8 percent for villas.

Urban land

Quarter on quarter, urban lands prices and transactions increased by 0.6 percent and 18.6 percent respectively.

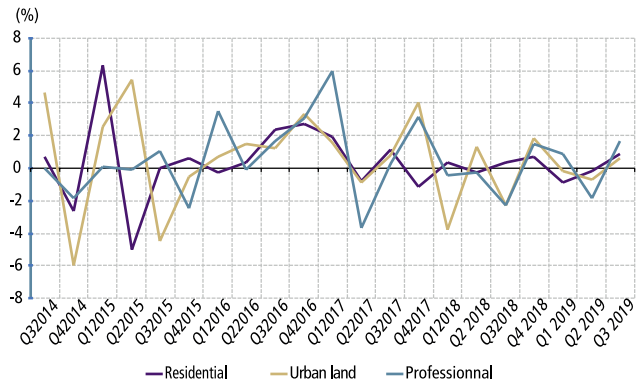
Year on year, land prices rose by 1.5 percent, while the number of transactions fell by 0.2 percent.

Commercial property

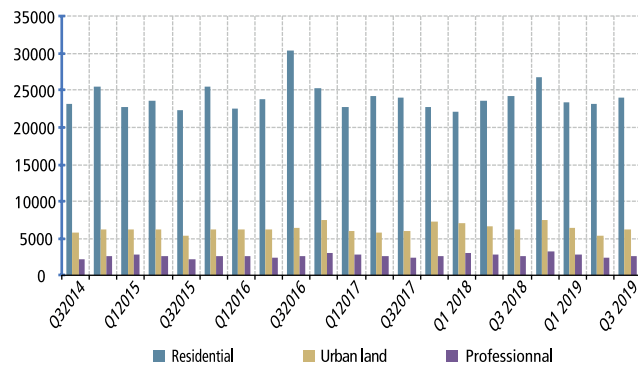
Quarter on quarter, prices of properties for professional use increased by 1.7 percent due to the increase of commercial premises and offices prices by 1.6 percent and 1.9 percent, respectively. The number of transactions increased by 0.7 percent, covering an increase in commercial premises sales by 6.1 percent and a decrease of those of offices by 25.8 percent.

Year on year, prices rose by 2.2 percent, driven by a 12 percent increase of offices prices. Commercial premises prices, on the other hand, fell by 0.4 percent. As for transactions, they dropped by 2.5 percent reflecting declines of sales of commercial premises by 1.2 percent and those of offices by 11 percent.

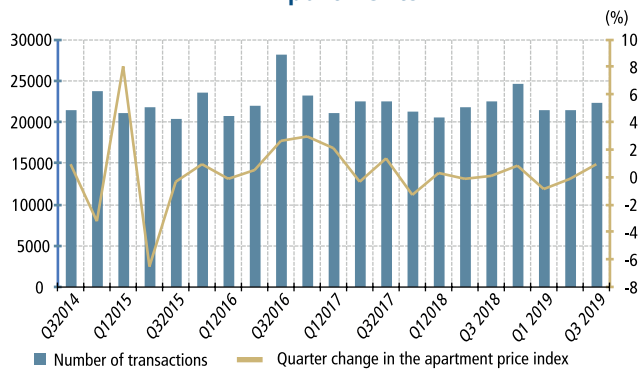
Real estate price indexes by category, (QoQ)



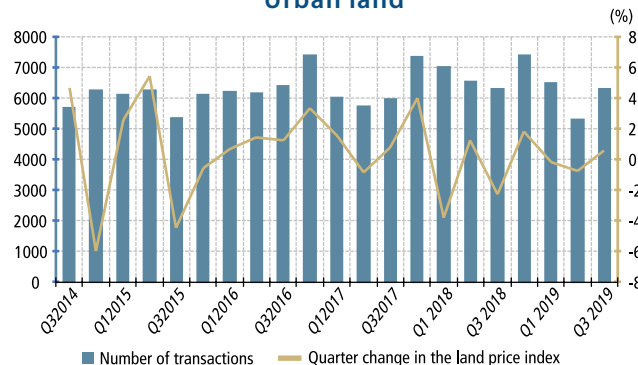
Change in the number of transactions



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



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



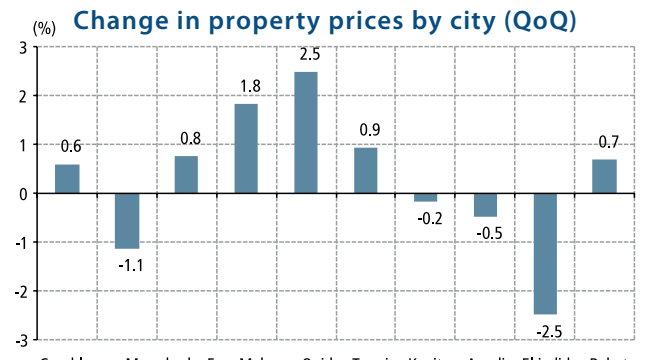
3. Trend of real estate market by city, quarter-to-quarter

In **Rabat**, prices went up markedly by 0.7 percent with rises by 1.5 percent in residential properties and 6.2 percent in commercial properties, while urban lands prices fell by 4.5 percent. Transactions declined by 9.3 percent, reflecting decreases of sales of residential properties by 7.6 percent and commercial properties by 34.1 percent, while urban lands' remained unchanged quarter to quarter.

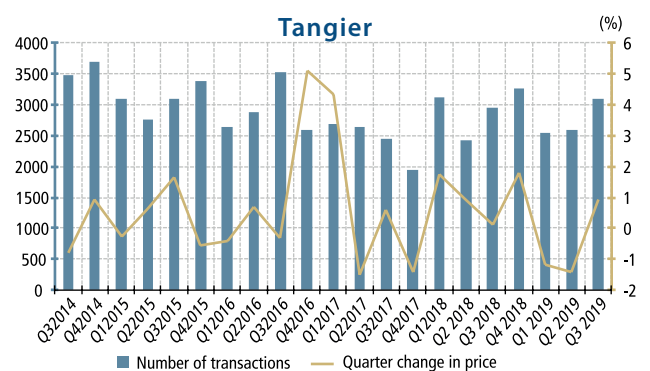
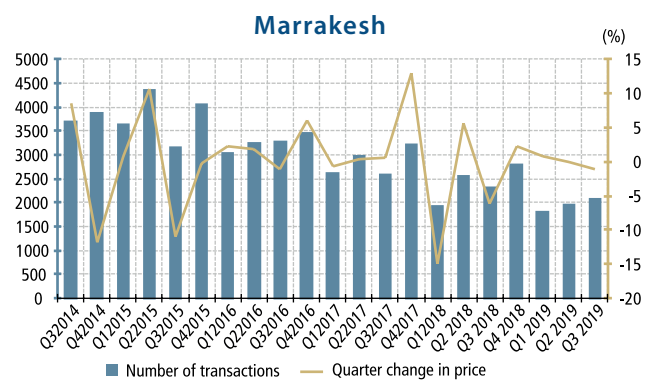
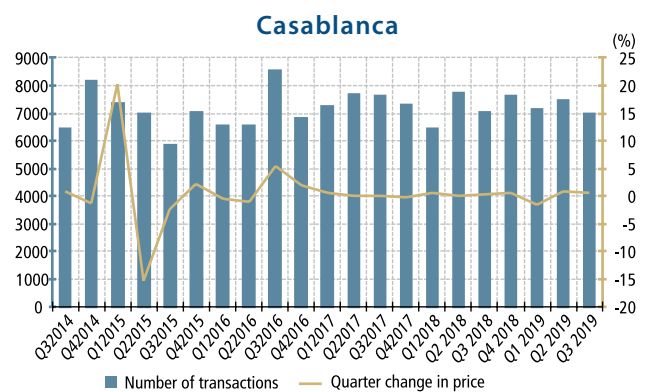
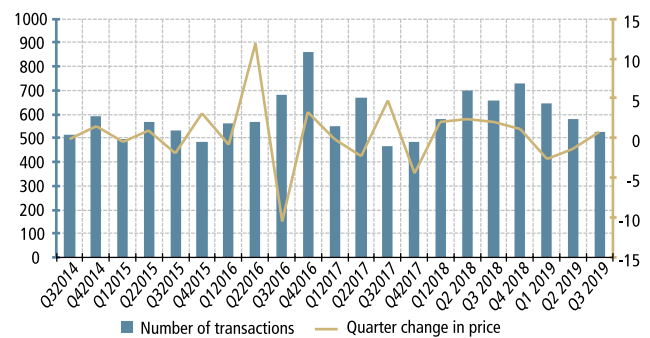
In **Casablanca**, prices rose by 0.6 percent, covering respective rises by 0.8 percent and 2.7 percent in residential properties and properties for professional use and a 3.9 percent decrease in urban lands. The number of transactions, on the other hand, dropped by 6.7 percent reflecting declines of sales of residential properties and properties for professional use with 7.2 percent and 13.6 percent respectively. Conversely, sales of urban lands rose by 12.2 percent.

In **Marrakech**, prices fell by 1.1 percent translating declines of 0.1 percent in residential properties, 1.5 percent in urban lands and 3.4 percent in properties for professional use. Meanwhile, transactions were up by 4.9 percent, as a result of the rise of sales of residential properties by 6.1 percent and commercial properties by 32.3 percent, urban land sales, on the other hand, fell by 3.4 percent.

In **Tangier**, the price index rose by 0.9 percent, reflecting increases of prices of properties for professional use by 12.8 percent and residential properties by 0.6 percent, while urban land prices decreased by 0.3 percent. On the other hand, transactions rebounded by 18.8 percent, notably with an increase in residential properties' by 15.9 percent.



Change in property prices (%) and transactions in Rabat



Change in the REPI in some major cities

City	Property category	Change (%) Q3-19/ Q2-19	
		Prix	Transaction
Agadir	Apartment	-1,3	5,3
	House	2,1	-2,9
	Villa	-10,6	-25,0
	Urban land	-1,3	14,1
	Business premises	-2,5	7,3
	Office	-28,1	-62,9
	Total	-0,5	2,7
Casablanca	Apartment	0,6	-7,0
	House	-3,2	-7,3
	Villa	9,7	-14,6
	Urban land	-3,9	12,2
	Business premises	1,2	-9,4
	Office	9,1	-40,4
	Total	0,6	-6,7
El Jadida	Apartment	-1,8	8,6
	House	-0,4	-34,0
	Villa	1,5	-50,0
	Urban land	-3,8	1,8
	Business premises	-3,0	-25,8
	Office	-	-
	Total	-2,5	2,8
Fes	Apartment	0,9	9,5
	House	0,4	-36,4
	Villa	10,4	25,0
	Urban land	0,7	-2,9
	Business premises	1,7	31,2
	Office	-4,7	-8,9
	Total	0,8	8,7
Kenitra	Apartment	-0,7	-9,9
	House	7,3	12,9
	Villa	-2,5	5,3
	Urban land	-0,3	0,9
	Business premises	2,8	-1,7
	Office	-4,7	-35,6
	Total	-0,2	-7,6

City	Property category	Change (%) Q3-19/ Q2-19	
		Prix	Transaction
Marrakech	Apartment	-0,4	4,2
	House	3,5	22,7
	Villa	-2,3	7,7
	Urban land	-1,5	-3,4
	Business premises	-3,6	21,5
	Office	-	-
	Total	-1,1	4,9
Meknès	Apartment	3,3	5,8
	House	4,2	-6,3
	Villa	6,3	-12,5
	Urban land	1,6	-0,7
	Business premises	-4,1	36,7
	Office	-	-
	Total	1,8	5,5
Oujda	Apartment	0,1	64,7
	House	0,9	0,5
	Villa	-	-
	Urban land	3,1	62,1
	Business premises	91,0	38,9
	Office	-	-
	Total	2,5	50,9
Rabat	Apartment	-0,4	-6,4
	House	22,3	-6,9
	Villa	6,4	-22,0
	Urban land	-4,5	0,0
	Business premises	3,1	-34,3
	Office	-	-
	Total	0,7	-9,3
Tangier	Apartment	1,7	16,9
	House	-4,3	-8,6
	Villa	38,4	23,1
	Urban land	-0,3	72,8
	Business premises	13,4	16,0
	Office	-2,7	-78,4
	Total	0,9	18,8

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.