

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

Quarter-to-quarter, the price index posted a 0.4 percent decline in the fourth quarter of 2019. This includes price decreases of 0.8 percent for urban land and 0.4 percent for residential property, as well as a 2.3 percent increase in prices for property for professional use. At the same time, the number of transactions fell by 0.7 percent, covering a 2.7 percent drop in residential property, a 17 percent increase in assets for professional use and a stagnation in urban land.

Year-on-year, the real estate price index fell by 0.5 percent, reflecting price decreases by 0.9 percent for urban land and 0.6 percent for residential property. Conversely, prices of property for professional use increased by 1.6 percent. As to the number of transactions, it fell by 10.8 percent. The decline concerned all categories of property, with decreases of 14.1 percent for urban land, 10.5 percent for residential property and 4.9 percent for property for professional use.

REPI

	Change (%)	
	Q4-2019/ Q3-2019	Q4-2019/ Q4-2018
Total	↓ -0,4	↓ -0,5
Residential	↓ -0,4	↓ -0,6
Apartment	↓ -0,4	↓ -0,5
House	↓ -0,4	↓ -1,4
Villa	↓ -0,2	↓ -3,5
Urban land	↓ -0,8	↓ -0,9
Professionnal	↑ 2,3	↑ 1,6
Business premises	↑ 4,3	↑ 2,5
Offices	↓ -6,3	↓ -2,8

Number of transactions

	Change (%)	
	Q4-2019/ Q3-2019	Q4-2019/ Q4-2018
Total	↓ -0,7	↓ -10,8
Residential	↓ -2,7	↓ -10,5
Apartment	↓ -3,4	↓ -10,2
House	↑ 9,5	↓ -8,7
Villa	↑ 0,3	↓ -31,0
Urban land	0,0	↓ -14,1
Professionnal	↑ 17,0	↓ -4,9
Business premises	↑ 14,1	↓ -6,6
Offices	↑ 37,2	↑ 6,5

For 2019 as a whole, prices of real estate assets remained virtually unchanged compared to 2018, for all categories of property. At the same time, the volume of transactions fell 3.8 percent after an increase of 4.8 percent in 2018. The contraction in sales concerned all categories of assets, with decreases of 10.2 percent for urban land, 4.7 percent for property for professional use and 1.9 percent for residential property.

2. General trend by asset category

Residential

Quarter-to-quarter, prices for residential property fell 0.4 percent. This decline affected all types of assets with rates of 0.4 percent for apartments and houses and 0.2 percent for villas. As for transactions, they fell by 2.7 percent, in line with the 3.4 percent drop observed for apartments. On the other hand, acquisitions of houses and villas increased by 9.5 percent and 0.3 percent respectively.

Year-on-year, residential assets depreciated by 0.6 percent, reflecting price declines of 0.5 percent for apartments, 1.4 percent for houses and 3.5 percent for villas. As for transactions, their number contracted by 10.5 percent, as a result of declines in sales in all property categories, with rates at 10.2 percent for apartments, 8.7 percent for houses and 31 percent for villas.

Urban land

Quarter-on-quarter, urban land prices fell by 0.8 percent and the number of transactions remained stable.

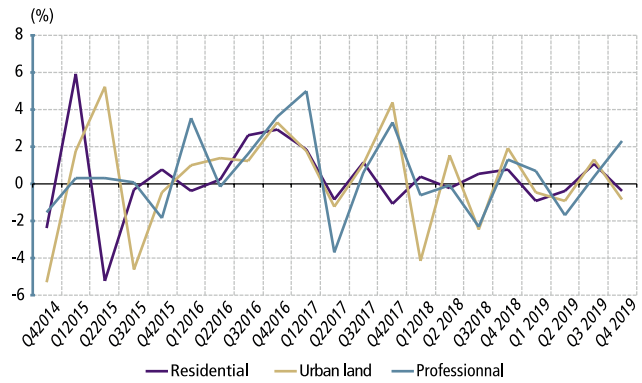
Year-on-year, prices fell 0.9 percent and the number of transactions fell 14.1 percent.

Professional

Quarter-on-quarter, prices of property for professional use rose by 2.3 percent, covering a 4.3 percent increase in prices of commercial premises and a 6.3 percent decline in office prices. Similarly, the number of transactions increased by 17 percent, reflecting increases in sales of commercial premises and offices by 14.1 percent and 37.2 percent respectively.

Year-on-year, prices rose by 1.6 percent, driven by a 2.5 percent increase in commercial premises prices. Office prices, on the other hand, fell 2.8 percent. Transactions fell by 4.9 percent, covering a 6.6 percent decline in sales of commercial premises and a 6.5 percent increase in sales of offices.

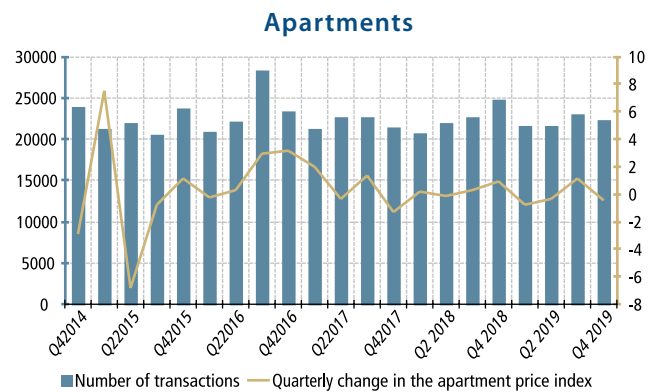
Real estate price indexes by category, (QoQ)



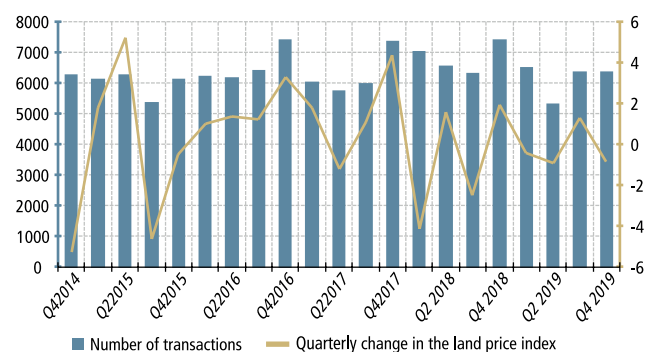
Change in the number of transactions



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



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



3. Real estate market quarterly trend by city

In **Rabat**, prices fell by 3.1 percent quarter-on-quarter, covering a 5.6 percent fall in residential property and increases of 9 percent for urban land and 2.4 percent for assets for professional use. Transactions rose by 2.6 percent, reflecting an increase in sales of assets for professional use, while sales of urban land and residential property fell by 3.4 percent and 1.1 percent respectively.

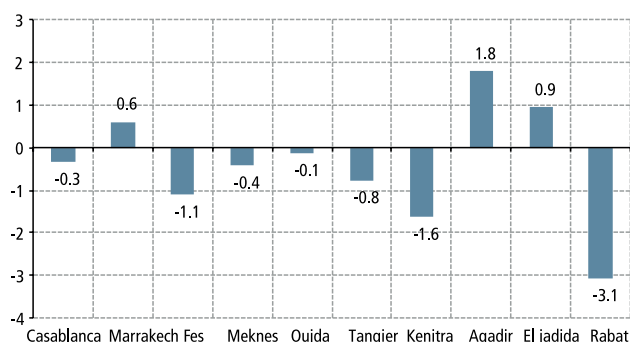
For 2019 as a whole, prices and transactions fell by 1.5 percent and 13.4 percent respectively, following increases of 3.5 percent and 23.1 percent recorded in 2018.

In **Casablanca**, prices posted a 0.3 percent drop, quarter-on-quarter, with decreases of 0.1 percent for residential property, 0.4 percent for urban land and 1.1 percent for assets for professional use. As for sales, they fell by 5.1 percent, reflecting decreases of 7.3 percent for residential property and 17.3 percent for urban land. Meanwhile, sales of assets for professional use increased by 21.7 percent.

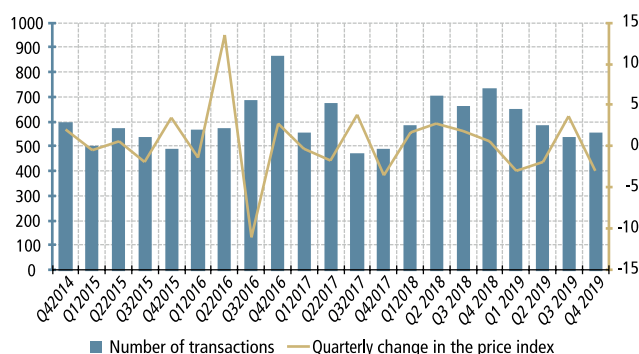
For the year as a whole, the REPI index fell by 0.4 percent, including declines of 0.5 percent for residential property and 1.6 percent for urban land, while prices for assets for professional use rose by 1.3 percent. At the same time, the number of transactions remained virtually unchanged, with an increase of 5.8 percent for urban land, and declines of 0.3 percent and 2.4 percent respectively in residential property and property for professional use.

In **Marrakech**, prices rose by 0.6 percent quarter-on-quarter, covering increases of 7.9 percent for assets for professional use and 0.5 percent for urban land, as well as a 0.7 percent decline for residential property. At the same time, the number of transactions increased by 11.2 percent, mainly reflecting increases in sales of urban land and residential property of 42.3 percent and 2 percent respectively. Sales of assets for professional use fell by 3.1 percent.

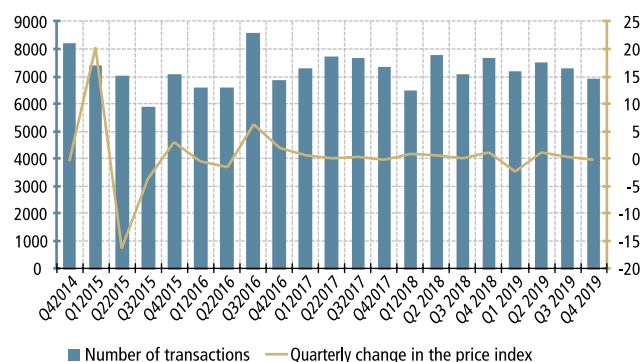
Change in property prices by city (QoQ)



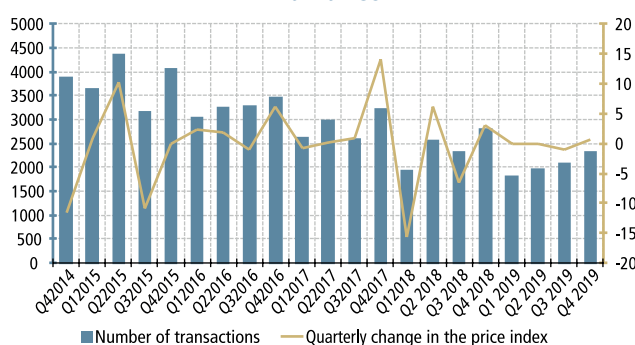
Change in property prices (QoQ, in %) and transactions in Rabat



Casablanca



Marrakesh

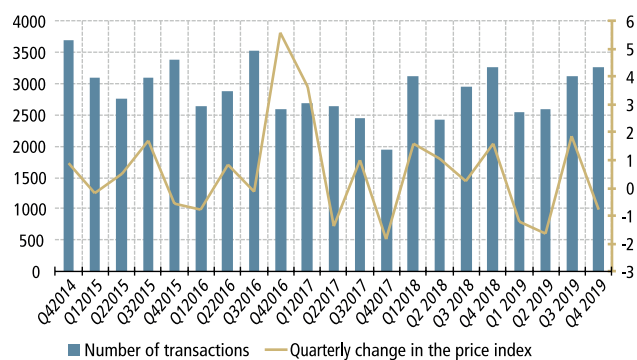


For the year as a whole, prices fell by 0.2 percent, with a 2.6 percent drop in prices for urban land and 1.3 percent increases for both residential property and property for professional use. Sales fell by 14.8 percent, the result of declines in all categories of property.

In Tangier, the price index recorded a 0.8 percent decrease compared to the third quarter of 2019, with decreases by 2 percent for urban land and 0.2 percent for residential property, and a 0.7 percent increase for property for professional use. For their part, sales rose by 4.8 percent, mainly as a result of an increase in transactions relating to property for professional use and residential property.

For the year as a whole, prices stagnated overall, and the number of transactions fell by 1.6 percent, following a 20.4 percent increase in the previous year.

Change in property prices (QoQ, in %) and transactions in Tangier



Change in the REPI in some major cities

City	Property category	Change (%)	
		Q4-2019/ Q3-2019	Prix
Agadir	Apartment	3,0	5,6
	House	-0,7	11,8
	Villa	12,5	52,4
	Urban land	2,2	1,6
	Business premises	14,3	31,1
	Office	15,3	53,8
	Total	1,8	8,2
Casablanca	Apartment	0,0	-7,6
	House	2,0	3,6
	Villa	-7,8	-2,5
	Urban land	-0,4	-17,3
	Business premises	4,3	11,6
	Office	-13,3	-
	Total	-0,3	-5,1
El Jadida	Apartment	1,4	0,2
	House	-7,2	27,3
	Villa	-	-
	Urban land	2,3	-2,3
	Business premises	3,1	59,6
	Office	-	-
	Total	0,9	1,8
Fes	Apartment	-2,6	-1,1
	House	7,4	-14,3
	Villa	3,8	-
	Urban land	-0,9	8,2
	Business premises	3,5	1,3
	Office	-4,7	17,6
	Total	-1,1	1,7
Kenitra	Apartment	-2,3	8,0
	House	-9,9	-1,4
	Villa	17,3	-9,5
	Urban land	0,6	-4,1
	Business premises	-2,9	16,4
	Office	-2,5	46,0
	Total	-1,6	7,2

City	Property category	Change (%)	
		Q4-2019/ Q3-2019	Prix
Marrakech	Apartment	-1,0	0,7
	House	-1,6	17,2
	Villa	-2,8	-12,3
	Urban land	0,5	42,3
	Business premises	8,0	5,2
	Office	-	-
	Total	0,6	11,2
Meknès	Apartment	-2,7	-0,7
	House	-3,2	45,0
	Villa	-4,8	57,1
	Urban land	-0,2	16,1
	Business premises	6,4	30,5
	Office	-3,3	-
	Total	-0,4	9,3
Oujda	Apartment	3,9	-15,6
	House	0,4	4,7
	Villa	-	-
	Urban land	-0,4	-9,1
	Business premises	-36,1	-16,0
	Office	-	-
	Total	-0,1	-9,5
Rabat	Apartment	-5,1	-1,4
	House	-10,5	39,3
	Villa	-8,9	-29,4
	Urban land	9,0	-3,4
	Business premises	2,4	100,0
	Office	-	-50,0
	Total	-3,1	2,6
Tangier	Apartment	0,0	5,8
	House	0,0	7,9
	Villa	-	-
	Urban land	-2,0	-10,9
	Business premises	2,2	22,0
	Office	-6,4	-
	Total	-0,8	4,8

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.