

## 1. GENERAL TREND OF THE REAL ESTATE MARKET IN THE FIRST QUARTER OF 2020

Quarter-to-quarter, the price index posted a 1.6 percent decline, covering price decreases of 1.8 percent for residential property, 1.1 percent for urban land, and 3.3 percent for business assets.

The volume of transactions fell by 31.2 percent, reflecting declines in sales in all categories, namely 32.9 percent for residential property, 27.2 percent for urban land and 25.6 percent for business property.

Year-on-year, prices fell by 1.4 percent, with decreases of 1.5 percent for residential assets, 1.2 percent for urban land and 2 percent for business assets. The number of transactions fell by 29.5 percent, as a result of falls of 30.6 percent in residential sales, 28.7 percent in urban land and 22.3 percent in business assets.

### REPI

	Variation (en %)	
	Q1-20/ Q4-19	Q1-20/ Q1-19
<b>Total</b>	-1.6 ↓	-1.4 ↓
<b>Residential</b>	-1.8 ↓	-1.5 ↓
Apartment	-1.4 ↓	-1.2 ↓
House	-3.3 ↓	-3.2 ↓
Villa	-5.2 ↓	-4.7 ↓
<b>Urban land</b>	-1.1 ↓	-1.2 ↓
<b>Professionnal</b>	-3.3 ↓	-2.0 ↓
Business premises	-5.4 ↓	-2.6 ↓
Offices	8.2 ↑	2.0 ↑

### Number of transactions

	Variation (en %)	
	Q1-20/ Q4-19	Q1-20/ Q1-19
<b>Total</b>	-31.2 ↓	-29.5 ↓
<b>Residential</b>	-32.9 ↓	-30.6 ↓
Apartment	-33.1 ↓	-30.8 ↓
House	-33.3 ↓	-27.7 ↓
Villa	-20.9 ↓	-30.5 ↓
<b>Urban land</b>	-27.2 ↓	-28.7 ↓
<b>Professionnal</b>	-25.6 ↓	-22.3 ↓
Business premises	-26.2 ↓	-22.1 ↓
Offices	-21.7 ↓	-23.3 ↓

## 2. General trend by asset category

### Residential

Quarter-to-quarter, residential prices fell by 1.8 percent, reflecting declines in all asset categories, reaching 1.4 percent for apartments, 3.3 percent for houses and 5.2 percent for villas. Regarding the volume of transactions, it declined by 32.9 percent, due to decreases in sales of apartments by 33.1 percent, houses by 33.3 percent and villas by 20.9 percent.

Year-on-year, prices depreciated by 1.5 percent, as prices fell by 1.2 percent for apartments, 3.2 percent for houses and 4.7 percent for villas. Sales fell by 30.6 percent, due to decreases by 30.8 percent for apartments, 27.7 percent for houses and 30.5 percent for villas.

### Urban land

On a quarterly basis, prices of urban land decreased by 1.1 percent and transactions declined by 27.2 percent.

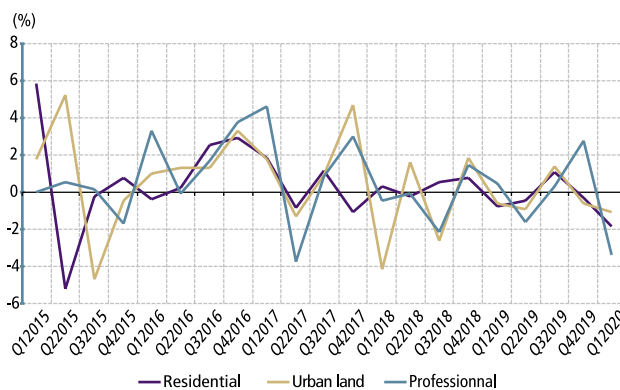
Year-on-year, prices fell by 1.2 percent and the number of transactions dropped by 28.7 percent.

### Professional property

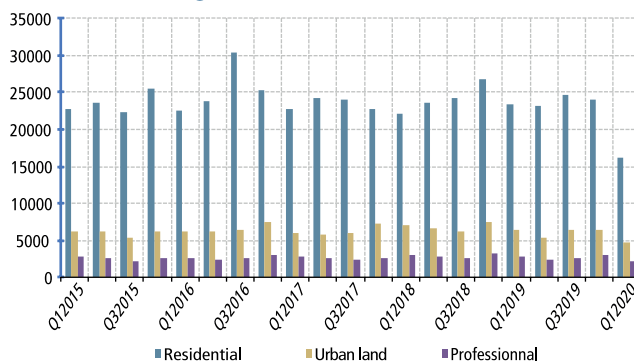
Quarter-on-quarter, price index of business property fell by 3.3 percent, covering a 5.4 percent decline in prices of commercial premises and an 8.2 percent increase in those of offices. On the other hand, the volume of transactions fell by 25.6 percent, as a result of a 26.2 percent decline in sales of commercial premises and a 21.7 percent decline in sales of offices.

Year-on-year, prices of goods for professional use fell by 2 percent, reflecting a 2.6 percent decline in prices for commercial premises, while office prices rose by 2 percent. Transactions fell by 22.3 percent, with a 22.1 percent decrease in sales of business premises and a 23.3 percent decrease in offices.

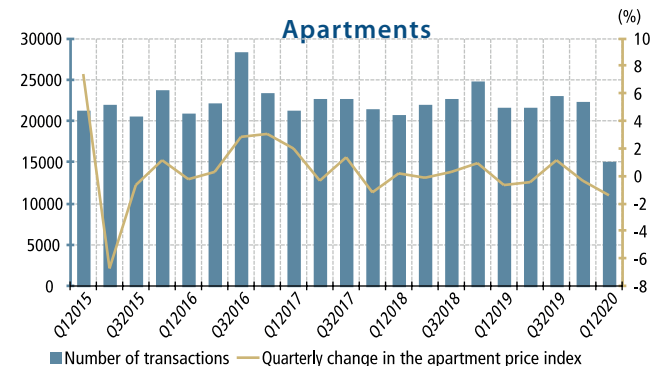
Real estate price indexes by category, (QoQ)



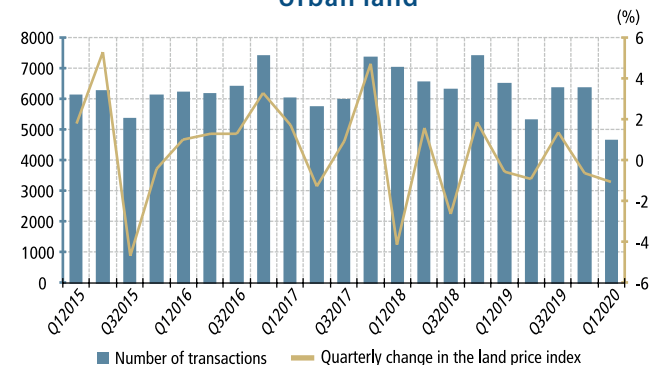
Change in the number of transactions



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



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



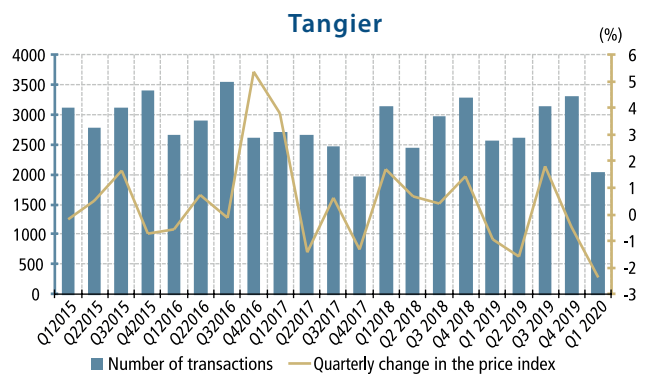
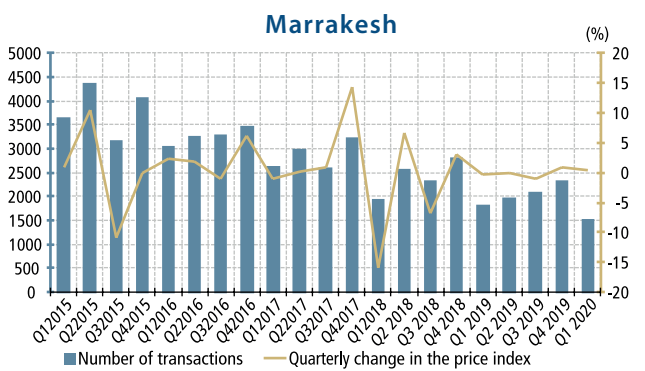
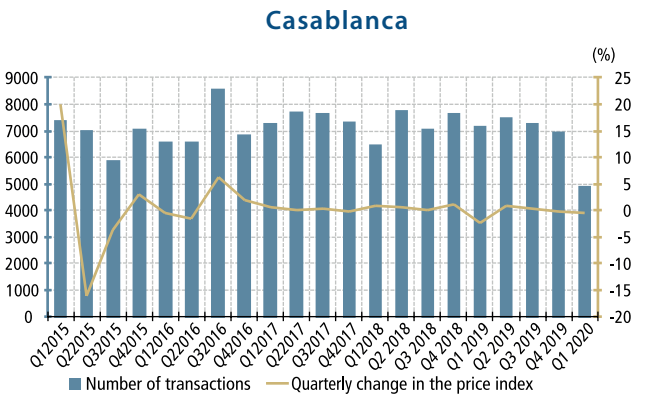
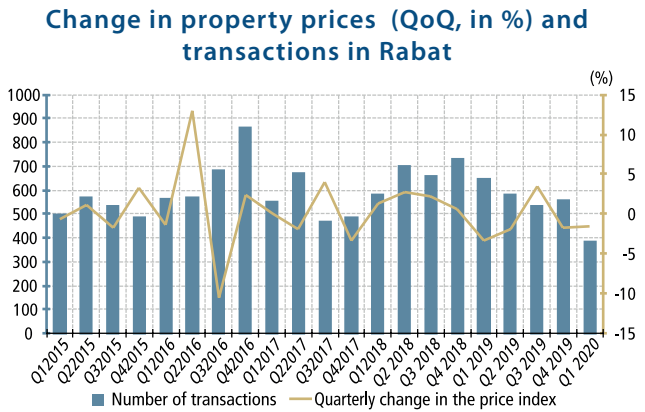
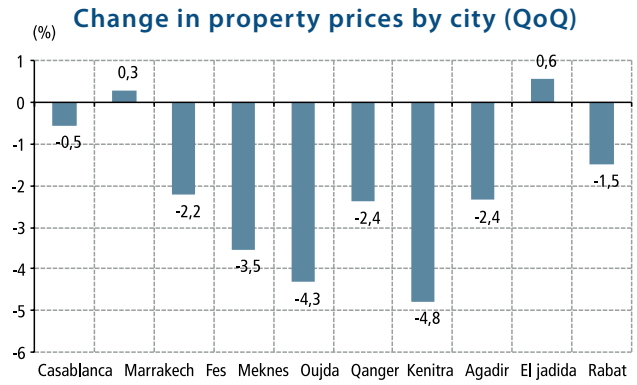
### 3. Real estate market quarterly trend by city

In Rabat, prices fell by 1.5 percent quarter-on-quarter, with declines of 1.5 percent for residential properties and 8.9 percent for urban land, while prices of business premises rose by 13.6 percent. Transactions also fell by 31 percent, reflecting lower sales of residential properties by 28.8 percent, urban land by 21.4 percent and business premises by 56.9 percent.

In Casablanca, prices fell by 0.5 percent quarter-on-quarter, covering declines of 0.6 percent and 3.3 percent respectively for residential property and urban land, and a 0.3 percent increase in prices of business property. Sales fell by 29.6 percent, reflecting decreases of 31.5 percent for residential goods, 20.1 percent for urban land and 21.5 percent for business goods.

In Marrakech, prices rose by 0.3 percent in the first quarter of 2020, owing to a 3.3 percent increase in urban land prices. On the other hand, prices of residential and professional goods decreased by 1.9 percent and 3.4 percent respectively. Transactions contracted by 35.2 percent, reflecting declines in all categories, namely by 36 percent for residential and 37.7 percent for urban lands.

In Tangier, the price index fell by 2.4 percent, as a result of the 4.3 percent drop in the price index of residential properties, while prices of urban land and business properties increased by 0.5 percent and 2.3 percent respectively. On the other hand, sales fell by 38.3 percent, covering decreases of 38.9 percent for residential, 29.2 percent for urban land and 43.8 percent for professional property.



# Change in the REPI in some major cities

City	Property category	Variation (%) Q1-20/ Q4-19		City	Property category	Variation (%) Q1-20/ Q4-19	
		Price	Transactions			Price	Transactions
Agadir	Apartment	-2.7	-24.8	Marrakech	Apartment	-0.6	-38.5
	House	-8.4	-39.5		House	-5.2	-30.9
	Villa	-0.5	-21.9		Villa	-4.4	8.0
	Urban land	-1.4	-36.3		Urban land	3.3	-37.7
	Business premises	-11.5	-8.3		Business premises	-3.1	-15.3
	Office	-	-		Office	-	-
	<b>Total</b>	<b>-2.4</b>	<b>-26.2</b>		<b>Total</b>	<b>0.3</b>	<b>-35.2</b>
Casablanca	Apartment	-0.5	-31.9	Meknes	Apartment	-2.4	-36.6
	House	0.4	-17.9		House	-5.1	-55.2
	Villa	-2.5	-33.1		Villa	5.3	0.0
	Urban land	-3.3	-20.1		Urban land	-3.2	-39.3
	Business premises	-5.3	-17.3		Business premises	-6.8	-40.8
	Office	21.4	-42.4		Office	-	-
	<b>Total</b>	<b>-0.5</b>	<b>-29.6</b>		<b>Total</b>	<b>-3.5</b>	<b>-38.0</b>
El Jadida	Apartment	-0.2	-36.2	Oujda	Apartment	-4.9	-39.4
	House	8.1	-47.6		House	-4.3	-32.2
	Villa	-	-		Villa	-	-
	Urban land	-4.5	-23.2		Urban land	-5.1	-31.9
	Business premises	-2.6	-46.7		Business premises	-	-
	Office	-	-		Office	-	-
	<b>Total</b>	<b>0.6</b>	<b>-33.5</b>		<b>Total</b>	<b>-4.3</b>	<b>-34.0</b>
Fes	Apartment	-3.7	-25.8	Rabat	Apartment	-0.5	-26.5
	House	-	-		House	-12.3	-60.0
	Villa	-3.1	-66.7		Villa	-1.5	-16.7
	Urban land	-0.2	-21.9		Urban land	-8.9	-21.4
	Business premises	-7.0	-18.9		Business premises	15.7	-62.5
	Office	15.3	-23.3		Office	15.7	33.3
	<b>Total</b>	<b>-2.2</b>	<b>-24.1</b>		<b>Total</b>	<b>-1.5</b>	<b>-31.0</b>
Kenitra	Apartment	-5.5	-51.1	Tangier	Apartment	-5.3	-39.7
	House	-4.3	-46.7		House	0.2	-20.7
	Villa	-18.5	-35.0		Villa	-	-
	Urban land	-2.6	-39.7		Urban land	0.5	-29.2
	Business premises	-10.4	-34.8		Business premises	1.6	-40.9
	Office	-5.8	-45.2		Office	1.6	-68.0
	<b>Total</b>	<b>-4.8</b>	<b>-47.1</b>		<b>Total</b>	<b>-2.4</b>	<b>-38.3</b>

## 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.