

## 1. OVERALL TREND OF THE REAL ESTATE MARKET IN THE SECOND QUARTER OF 2020

Quarter-to-quarter, the real estate price index (REPI) declined by 3.3 percent, reflecting price decreases of 3.8 percent for residential property, 3 percent for urban land, and 0.9 percent for business assets.

The volume of transactions fell by 42.8 percent, reflecting lower sales in all categories, namely by 38.2 percent for residential property, 53.7 percent for urban land and 54.2 percent for business property.

Year-on-year, prices declined by 3.3 percent, with decreases of 4 percent for residential assets, 2.7 percent for urban land and 1.3 percent for business assets. The number of transactions fell by 56.1 percent compared to the same quarter last year, as a result of declines by 55.3 percent in residential sales, 59.1 percent in urban land and 57.2 percent in business assets.

REPI	Change (%)	
	Q2-20/ Q1-20	Q2-20/ Q2-19
<b>Total</b>	-3.3 ↓	-3.3 ↓
<b>Residential</b>	-3.8 ↓	-4.0 ↓
Apartment	-3.7 ↓	-3.7 ↓
House	-5.1 ↓	-6.7 ↓
Villa	-0.8 ↓	-3.1 ↓
<b>Urban land</b>	-3.0 ↓	-2.7 ↓
<b>Professional</b>	-0.9 ↓	-1.3 ↓
Business premises	-1.5 ↓	-1.9 ↓
Offices	1.4 ↑	2.5 ↑

Number of transactions	Change (%)	
	Q2-20/ Q1-20	Q2-20/ Q2-19
<b>Total</b>	-42,8 ↓	-56,1 ↓
<b>Residential</b>	-38,2 ↓	-55,3 ↓
Apartment	-37,2 ↓	-54,9 ↓
House	-59,0 ↓	-66,6 ↓
Villa	-17,9 ↓	-44,5 ↓
<b>Urban land</b>	-53,7 ↓	-59,1 ↓
<b>Professional</b>	-54,2 ↓	-57,2 ↓
Business premises	-54,4 ↓	-56,4 ↓
Offices	-52,9 ↓	-61,1 ↓

## 2. General trend by asset category

### Residential property

**Quarter-to-quarter**, prices of residential assets fell by 3.8 percent, reflecting declines in all asset categories, reaching 3.7 percent for apartments, 5.1 percent for houses and 0.8 percent for villas. The volume of transactions declined by 38.2 percent, due to decreases in sales of apartments by 37.2 percent, houses by 59 percent and villas by 17.9 percent.

**Year-on-year**, prices depreciated by 4 percent, as they fell by 3.7 percent for apartments, 6.7 percent for houses and 3.1 percent for villas. On the other hand, sales decreased by 55.3 percent, due to decreases by 54.9 percent for apartments, 66.6 percent for houses and 44.5 percent for villas.

### Urban land

**On a quarterly basis**, prices of urban land decreased by 3 percent and transactions declined by 53.7 percent.

**Year-on-year**, prices fell by 2.7 percent and the number of transactions dropped by 59.1 percent.

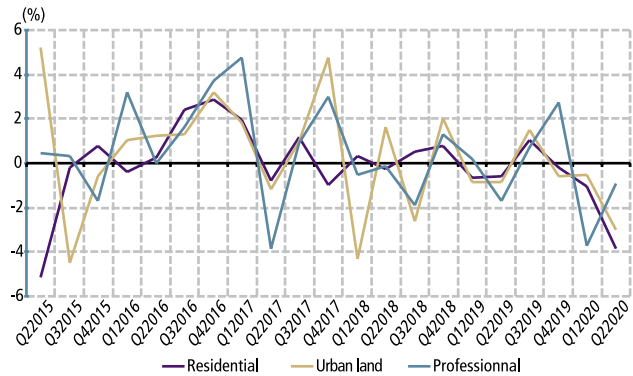
### Business property

**Quarter-to-quarter**, price index of business property fell by 0.9 percent, covering a 1.5 percent decline in prices of commercial premises and a 1.4 percent increase in those of offices.

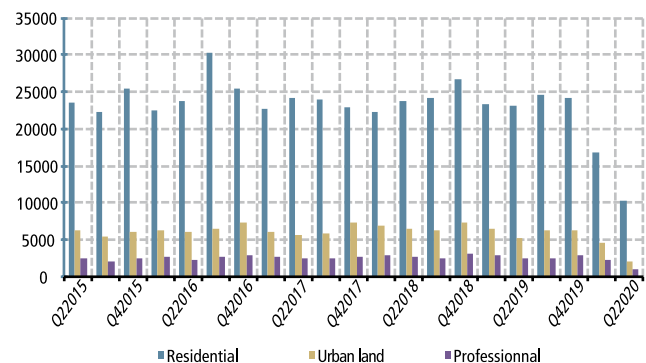
Besides, the volume of transactions fell by 54.2 percent, as a result of a 54.4 percent decline in sales of commercial premises and a 52.9 percent fall in sales of offices.

**Year-on-year**, prices of business property fell by 1.3 percent, reflecting a 1.9 percent decline in prices of commercial premises, while office prices rose by 2.5 percent. Transactions fell by 57.2 percent, with a 56.4 percent decrease in sales of business premises and a 61.1 percent drop in offices.

Real estate price indexes by category, (QoQ)

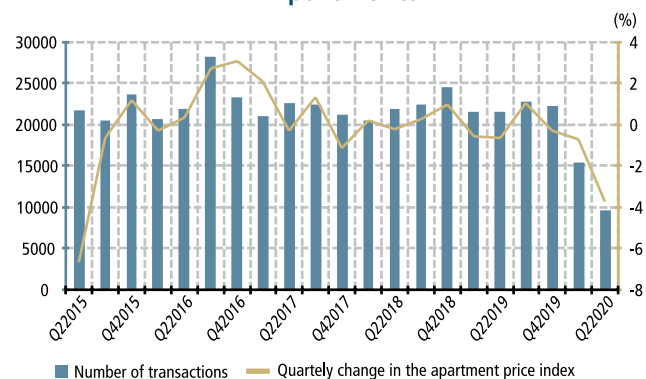


Change in the number of transactions



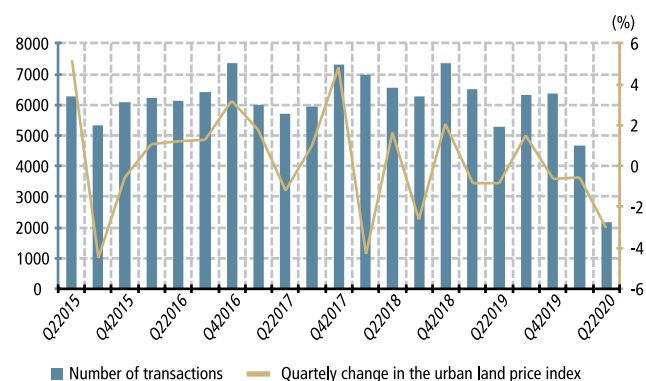
Change in the price index (QoQ,%) and number of transactions

#### Apartments



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

#### Urban land



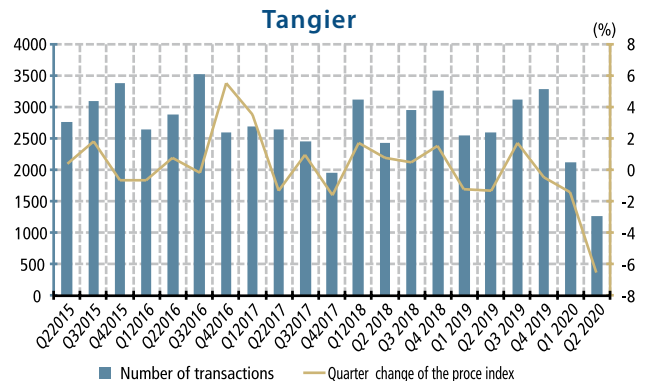
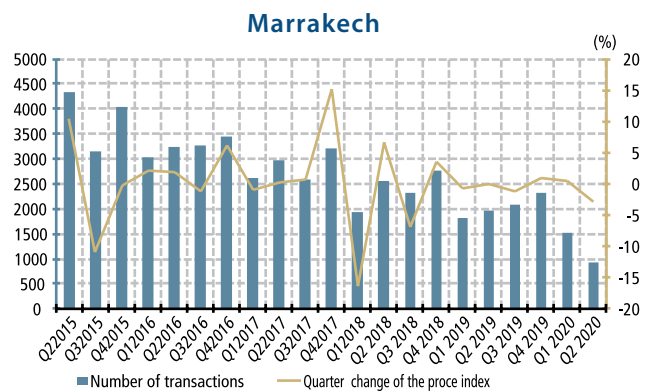
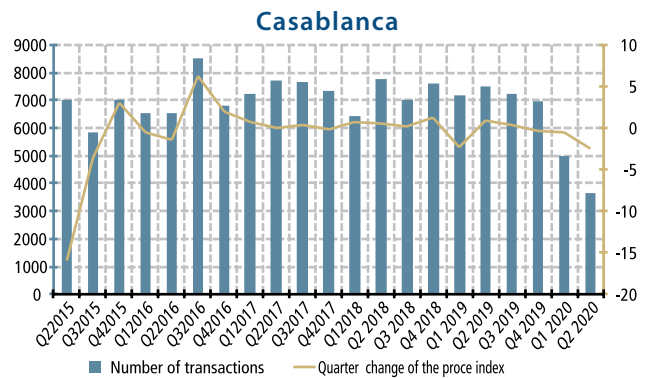
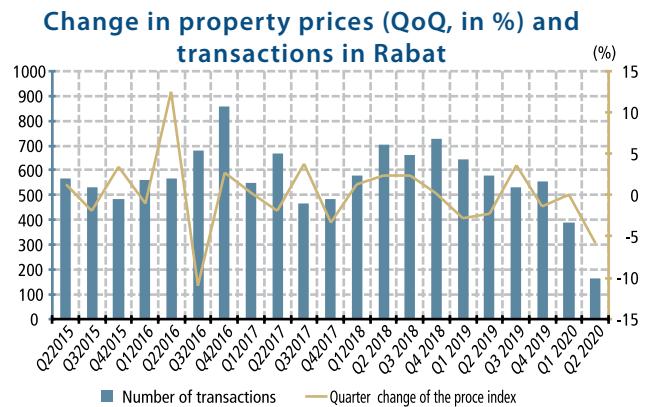
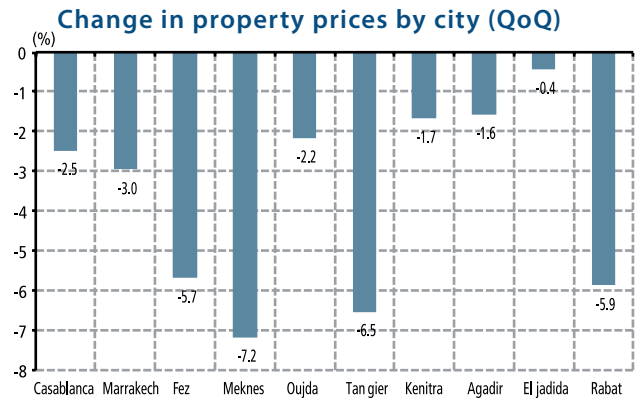
### 3. Real estate market trend by city

In **Rabat**, prices fell by 5.9 percent quarter-on-quarter, with declines by 6.7 percent for residential property and 10 percent for business property, while prices of urban land rose by 3.8 percent. Transactions dropped by 57.1 percent, reflecting lower sales of residential property by 59.6 percent, urban land by 22.7 percent and business premises by 52.2 percent.

In **Casablanca**, prices fell by 2.5 percent quarter-on-quarter, covering declines of 3.4 percent in residential property, and respective rises by 1.3 and 3.3 percent in urban land and business property. Sales fell by 27.4 percent, reflecting decreases of 21.8 percent for residential property, 47.9 percent for urban land and 49 percent for business property.

In **Marrakech**, prices fell by 3 percent in the second quarter of 2020, as a result of the decreases by 2.6 percent for residential property, 4.7 percent for urban land and 2.7 percent for business property. On the other hand, transactions declined by 39.6 percent, reflecting declines in all categories, namely by 25 percent for residential, 68.6 percent for urban land and 54.1 percent for business property.

In **Tangiers**, the price index fell by 6.5 percent, due to the price decline recorded in all categories of assets, namely by 8.7 percent for residential property, 5.1 percent for urban land and 8.1 percent for business property. Similarly, sales fell by 40.2 percent, due to decreases by 38.8 percent for residential, 41.7 percent for urban land and 53.4 percent for professional property.



## Change in the REPI in some major cities

City	Property category	Change (%)	
		Price Q2-20/ Q1-20	Transaction Q2-20/ Q1-20
Agadir	Apartment	-6.3	-50.4
	House	0.7	-47.9
	Villa	5.1	-72.0
	Urban land	0.1	-28.8
	Business premises	-0.7	-67.3
	Office	-	-
	<b>Total</b>	<b>-1.6</b>	<b>-48.5</b>
Casablanca	Apartment	-3.2	-20.4
	House	-6.8	-65.5
	Villa	-2.4	-25.3
	Urban land	1.3	-47.9
	Business premises	2.2	-50.6
	Office	6.8	-37.2
	<b>Total</b>	<b>-2.5</b>	<b>-27.4</b>
El Jadida	Apartment	0.4	-52.7
	House	-8.7	-13.6
	Villa	2.0	-68.8
	Urban land	3.4	-51.2
	Business premises	-	-
	Office	-	-
	<b>Total</b>	<b>-0.4</b>	<b>-51.1</b>
Fez	Apartment	-8.6	-55.1
	House	-7.6	-86.7
	Villa	-	-
	Urban land	-1.3	-54.6
	Business premises	3.5	-64.3
	Office	-14.9	-58.7
	<b>Total</b>	<b>-5.7</b>	<b>-56.6</b>
Kenitra	Apartment	-1.8	-39.9
	House	-0.6	-50.0
	Villa	-2.4	-50.0
	Urban land	0.7	-43.4
	Business premises	-3.4	-37.9
	Office	-2.5	-41.5
	<b>Total</b>	<b>-1.7</b>	<b>-41.0</b>

City	Property category	Change (%)	
		Price Q2-20/ Q1-20	Transaction Q2-20/ Q1-20
Marrakech	Apartment	-1.8	-26.7
	House	-12.6	-73.5
	Villa	-	-
	Urban land	-4.7	-68.6
	Business premises	-2.5	-53.8
	Office	-	-
	<b>Total</b>	<b>-3.0</b>	<b>-39.6</b>
Meknes	Apartment	-5.5	-34.4
	House	-8.0	-66.7
	Villa	5.4	-63.6
	Urban land	-9.7	-57.7
	Business premises	0.1	-57.5
	Office	-	-
	<b>Total</b>	<b>-7.2</b>	<b>-44.9</b>
Oujda	Apartment	-4.3	-41.0
	House	-2.5	-57.8
	Villa	-	-
	Urban land	-0.6	-52.5
	Business premises	11.9	-18.8
	Office	-	-
	<b>Total</b>	<b>-2.2</b>	<b>-48.8</b>
Rabat	Apartment	-7.4	-59.6
	House	8.5	-70.6
	Villa	-1.5	-50.0
	Urban land	3.8	-22.7
	Business premises	-8.7	-42.1
	Office	-	-
	<b>Total</b>	<b>-5.9</b>	<b>-57.1</b>
Tangier	Apartment	-9.9	-37.7
	House	-12.3	-68.7
	Villa	51.2	-30.0
	Urban land	-5.1	-41.7
	Business premises	-12.0	-55.5
	Office	33.9	-22.2
	<b>Total</b>	<b>-6.5</b>	<b>-40.2</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.