

## 1. GENERAL TREND OF THE REAL ESTATE MARKET IN THE 4th QUARTER OF 2020

During the 4th quarter of 2020, the Real Estate Price Index (REPI) continued to rise for the second consecutive quarter after declines in the first and second quarters. As such, it grew 0.6 percent in Q4-2020, after 4.1 percent in the previous quarter. This development includes a price rise of 1.4 percent in residential property, as well as declines in urban land prices (-0.5%) and business property prices (-1%). As for the number of transactions, it rose 39.2 percent.

Year on year, the REPI was up 0.6 percent compared to Q4-2019, reflecting increases in residential property prices (0.8%) and urban land prices (0.5%). On the other hand, prices of commercial properties dropped by 3.4 percent. As for the number of transactions, it grew 27.1 percent year to year. This rise covered all categories of properties, with growth rates of 22.1 percent in residential property, 47.3 percent in urban land and 24.9 in business property.

### REPI

	Change in %	
	Q4-20/ Q3-20	Q4-20/ Q4-19
<b>Total</b>	0,6 ↑	0,6 ↑
<b>Residential</b>	1,4 ↑	0,8 ↑
Apartment	1,4 ↑	0,9 ↑
House	2,4 ↑	0,5 ↑
Villa	-1,5 ↓	0,8 ↑
<b>Urban land</b>	-0,5 ↓	0,5 ↑
<b>Professional</b>	-1,0 ↓	-1,0 ↓
Business premises	1,1 ↓	-0,1 ↓
Offices	-12,1 ↓	-6,3 ↓

### Number of transactions

	Change in %	
	Q4-20/ Q3-20	Q4-20/ Q4-19
<b>Total</b>	39,2 ↑	27,1 ↑
<b>Residential</b>	39,7 ↑	22,1 ↑
Apartment	39,0 ↑	23,3 ↑
House	43,3 ↑	-2,7 ↓
Villa	64,4 ↑	47,6 ↑
<b>Urban land</b>	47,2 ↑	47,3 ↑
<b>Professional</b>	19,6 ↑	24,9 ↑
Business premises	17,6 ↑	25,2 ↑
Offices	33,5 ↑	22,9 ↑

Over the year 2020, REPI fell 0.9 percent, as a result of decreases by 1.2 percent in the prices of residential assets, 0.6 percent in those of urban land and 0.4 percent in those of commercial property. As for the number of transactions, it dropped 15.2 percent. The contraction in sales extended across all the categories of goods, with declines in residential property (-18.2%), urban land (-7.7%) and commercial property (-5.4%).

## 2. General trend by category of assets

### Residential

Quarter-to-quarter, residential prices rose by 1.4 percent in line with price increases of 1.4 percent for apartments and 2.4 percent for houses. On the other hand, villa prices declined by 1.5 percent. Transactions increased by 39.7 percent, with increases of 39 percent for apartments, 43.3 percent for houses and 64.4 percent for villas.

Year-on-year, residential prices rose by 0.8 percent, reflecting price increases of 0.9 percent for apartments, 0.5 percent for houses and 0.8 percent for villas. The number of transactions was up by 22.1 percent, as a result of increases in sales of apartments by 23.3 percent and villas by 47.6 percent, while those of houses fell 2.7 percent.

### Urban land

Quarter to quarter, prices of urban lands fell by 0.5 percent. Concurrently, transactions increased by 47.2 percent quarter-on-quarter.

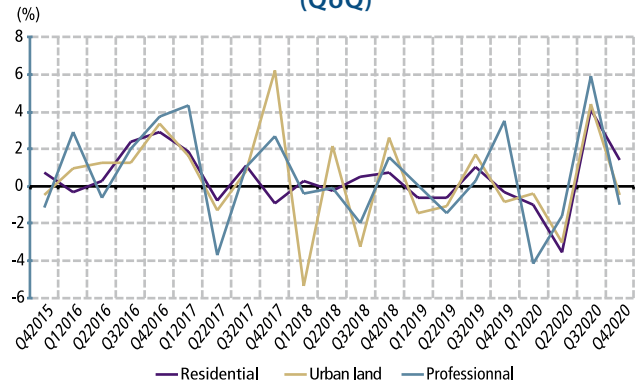
Year-on-year, land prices picked up by 0.5 percent and the number of transactions climbed by 47.3 percent.

### Commercial properties

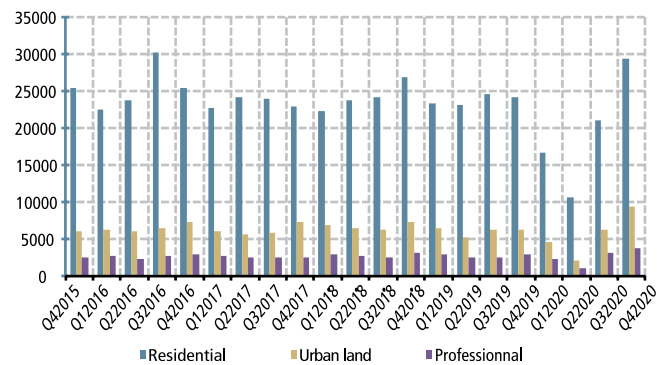
Quarter-on-quarter, prices of goods for professional use fell by 1 percent, covering a 12.1 percent decline in prices for offices and a 1.1 percent increase in prices for commercial premises. The number of transactions increased by 19.6 percent, reflecting increases in sales of commercial property and offices by 17.6 percent and 33.5 percent respectively.

Year-on-year, prices were down 1 percent, with decreases of 0.1 percent for commercial premises and 6.3 percent for offices. Transactions rose by 24.9 percent, reflecting increases in sales of commercial premises by 25.2 percent and offices by 22.9 percent.

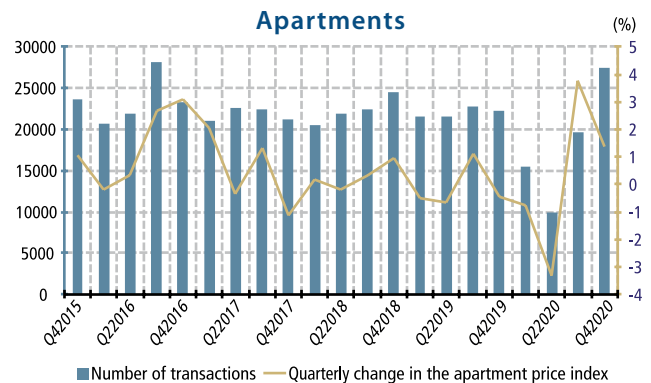
Real estate price indexes by category, (QoQ)



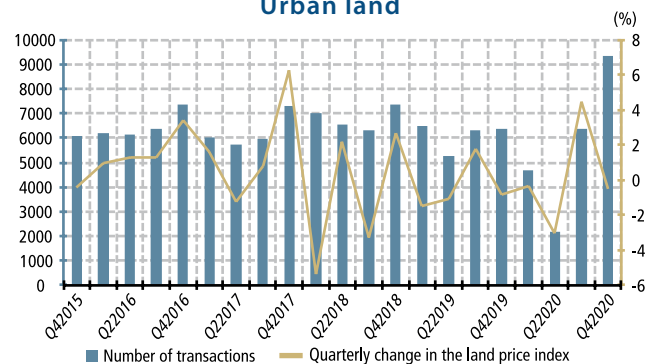
Change in the number of transactions



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

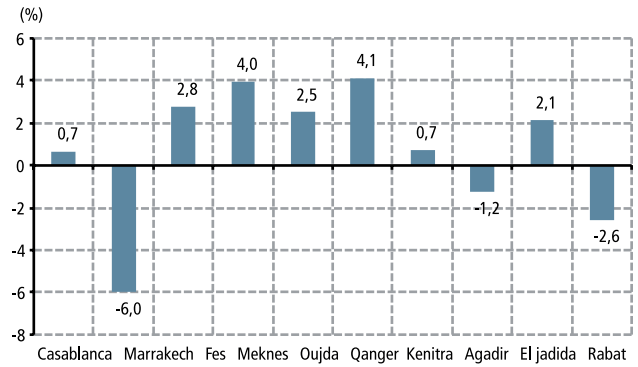
**In Rabat,** In Rabat, prices fell by 2.6 percent on a quarterly basis, covering declines in the prices of residential property (-1.6%), urban land (-2.1%) and business assets (-12.3%). Transactions increased by 43.2 percent, reflecting the growth in sales of residential properties (43.5%), land (34.5%) and commercial properties (50%). For the year 2020 as a whole, prices rose 0.7 percent and transactions fell 17.4 percent.

**In Casablanca,** prices rose 0.7 percent quarter-on-quarter, with a 1.3 percent increase for residential property and decreases in urban land prices (-2.1%) and business assets (-3%). Sales increased by 29 percent, reflecting increases in transactions of residential properties (29%), urban land (9.3%) and business assets (32.2%). For the year as a whole, the price index depreciated by 0.6 percent and transactions fell by 10 percent.

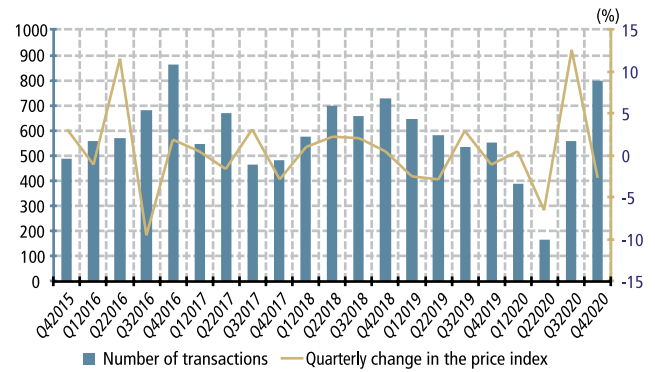
**In Marrakech,** prices were down 6 percent quarter-on-quarter, as a result of the 9.7 percent drop in land prices. Conversely, residential and business assets were up by 1.1 percent and 1 percent respectively. At the same time, transactions increased by 32.5 percent, reflecting that of all property categories with 47.3 percent for residential property, 9.5 percent for land and 25.6 percent for business property. For the year as a whole, prices fell by 1.8 percent and sales declined by 10.1 percent.

**In Tangiers,** the price index rose 4.1 percent compared with the third quarter of 2020, with increases of 5.1 percent in residential property, 4.3 percent in land and 3.1 percent for business assets. For their part, sales increased by 52.9 percent, as a result of increases of 54.4 percent in residential properties, 50.4 percent in land and 41 percent in business properties. For the year as a whole, prices fell 2.3 percent and the number of transactions decreased by 25.2 percent.

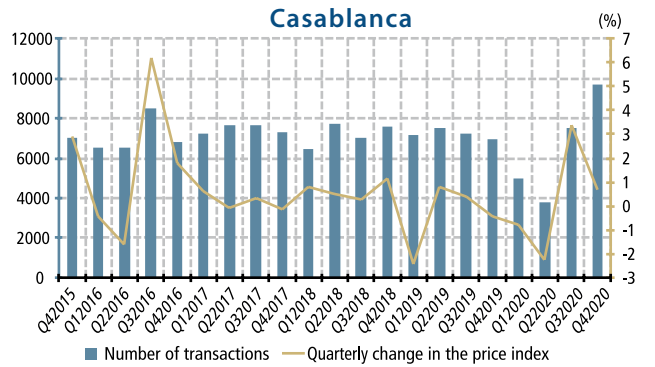
Change in property prices by city (QoQ)



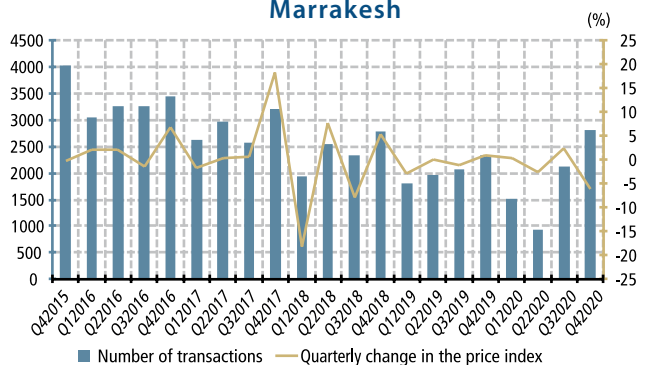
Change in property prices (QoQ, in %) and transactions in Rabat



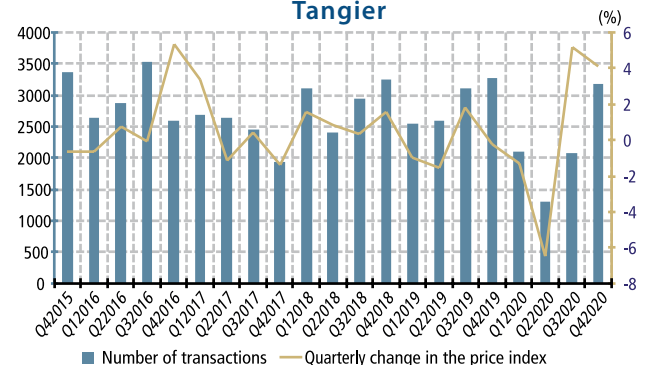
Casablanca



Marrakesh



Tangier



# Change in the REPI in some major cities

City	Property category	Variation (%) Q4-20/ Q3-20		City	Property category	Variation (%) Q4-20/ Q3-20	
		Price	Transactions			Price	Transactions
Agadir	Apartment	-1,2	42,4	Marrakech	Apartment	0,6	41,8
	House	-3,3	12,9		House	3,0	73,2
	Villa	-3,1	44,4		Villa	-	-
	Urban land	-1,3	91,0		Urban land	-9,7	9,5
	Business premises	-2,5	-1,2		Business premises	0,0	19,0
	Office	-17,3	26,9		Office	-	-
	<b>Total</b>	<b>-1,2</b>	<b>43,7</b>		<b>Total</b>	<b>-6,0</b>	<b>32,5</b>
Casablanca	Apartment	1,1	29,3	Meknes	Apartment	2,5	20,3
	House	1,3	30,9		House	0,1	18,9
	Villa	6,1	60,5		Villa	-11,1	71,4
	Urban land	-2,1	9,3		Urban land	6,7	44,0
	Business premises	0,5	28,4		Business premises	2,4	23,5
	Office	-12,8	64,3		Office	-1,6	9,1
	<b>Total</b>	<b>0,7</b>	<b>29,0</b>		<b>Total</b>	<b>4,0</b>	<b>26,5</b>
El Jadida	Apartment	1,4	5,5	Oujda	Apartment	0,3	85,3
	House	14,3	10,3		House	2,8	113,7
	Villa	-	-		Villa	-	-
	Urban land	4,9	4,4		Urban land	2,4	56,0
	Business premises	4,2	0,0		Business premises	1,9	39,3
	Office	-	-		Office	-	-
<b>Total</b>	<b>2,1</b>	<b>6,7</b>	<b>Total</b>	<b>2,5</b>	<b>71,5</b>		
Fes	Apartment	4,5	66,6	Rabat	Apartment	-1,1	44,8
	House	-	-		House	-8,0	39,3
	Villa	-	-		Villa	-2,1	24,0
	Urban land	3,4	102,6		Urban land	-2,1	34,5
	Business premises	3,8	18,4		Business premises	-11,6	25,9
	Office	-22,5	75,7		Office	-	-
<b>Total</b>	<b>2,8</b>	<b>67,8</b>	<b>Total</b>	<b>-2,6</b>	<b>43,2</b>		
Kenitra	Apartment	0,2	32,8	Tangier	Apartment	5,7	55,2
	House	-3,0	28,1		House	3,8	57,1
	Villa	-3,1	-10,5		Villa	-4,0	-42,9
	Urban land	3,6	24,6		Urban land	4,3	50,4
	Business premises	4,5	-23,0		Business premises	3,4	44,7
	Office	-16,5	1,6		Office	-6,6	19,0
<b>Total</b>	<b>0,7</b>	<b>19,7</b>	<b>Total</b>	<b>4,1</b>	<b>52,9</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.