

1. OVERALL TREND OF THE REAL ESTATE MARKET IN THE FIRST QUARTER OF 2021

In the first quarter of 2021, the real estate price index (REPI) stagnated quarter-on-quarter, reflecting price decrease of 0.9 percent for residential property and price increases of 1.4 percent for urban lands and 0.3 percent for properties for professional use. At the same time, the number of transactions fell by 17.4 percent after the exceptional increase of 43.1 percent recorded in Q4-2020, yet with a level which remains higher than the one observed before the health crisis.

Year-on-year, prices rose by 1.8 percent, with increases of 1.2 percent for residential assets and 2.9 percent for urban lands and for properties for professional use. The number of transactions fell by 52 percent, as a result of falls of 42.4 percent in residential sales, 76.1 percent in urban lands and 73.5 percent in properties for professional use.

REPI	Change (%)	
	Q1-21/ Q4-20	Q1-21/ Q1-20
Total	0,0	1,8
Residential	-0,9	1,2
Apartment	-1,1	0,9
House	-0,6	1,8
Villa	0,8	4,6
Urban land	1,4	2,9
Professional	0,3	2,9
Business premises	-0,9	3,0
Offices	7,5	1,9

Number of transactions	Change (%)	
	Q1-21/ Q4-20	Q1-21/ Q1-20
Total	-17,4	52,0
Residential	-21,1	42,4
Apartment	-22,0	42,3
House	-5,5	38,3
Villa	-15,1	59,9
Urban land	-14,0	76,1
Professional	2,3	73,5
Business premises	1,2	72,2
Offices	8,6	81,3

2. General trend by asset category

Residential property

Quarter-to-quarter, residential prices fell by 0.9 percent, reflecting declines of 1.1 percent for apartments and 0.6 percent for houses, however, prices rose by 0.8 percent for villas. Regarding the volume of transactions, it declined by 21.1 percent, due to decreases in sales of apartments by 22 percent, houses by 5.5 percent and villas by 15.1 percent.

Year-on-year, prices rose by 1.2 percent, as they increased by 0.9 percent for apartments, 1.8 percent for houses and 4.6 percent for villas. Sales rose by 42.4 percent, due to increases by 42.3 percent for apartments, 38.3 percent for houses and 59.9 percent for villas.

Urban lands

On a quarterly basis, prices of urban lands increased by 1.4 percent and transactions declined by 14 percent.

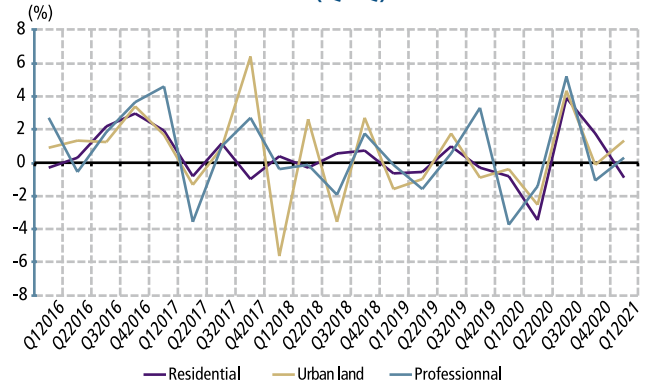
Year-on-year, prices rose by 2.9 percent and the number of transactions increased by 76.1 percent.

Professional Property

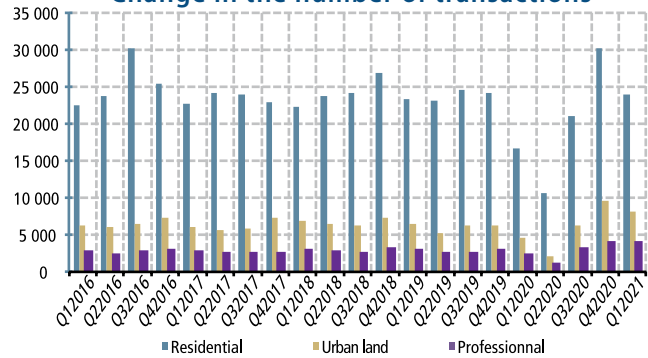
Quarter-on-quarter, price index of properties for professional use rose by 0.3 percent, reflecting a 7.5 percent increase in prices of offices and a 0.9 percent decline in those of commercial premises. On the other hand, the volume of transactions rose by 2.3 percent, due to an increase of 1.2 percent in sales of commercial premises and 8.6 percent of office sales.

Year-on-year, prices of properties for professional use increased by 2.9 percent, reflecting a 3 percent rise in prices for commercial premises and 1.9 percent for office prices. Transactions rose by 73.5 percent, with a 72.2 percent increase in sales of business premises and 81.3 percent in office sales.

Real estate price indexes by category, (QoQ)

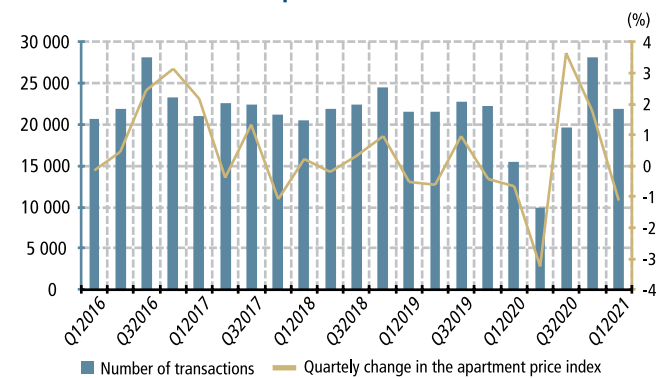


Change in the number of transactions



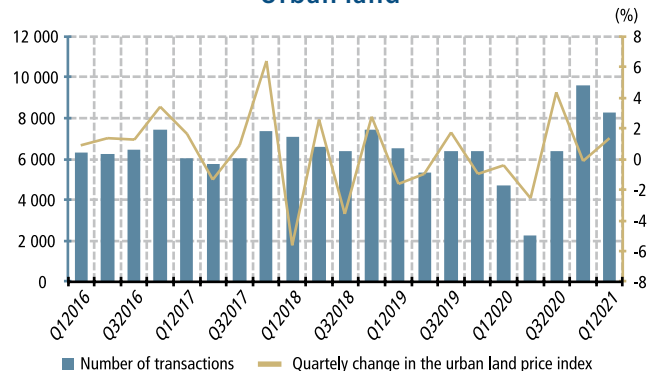
Change in the price index (QoQ,%) and number of transactions

Apartments



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

Urban land



3. Real estate market trend by city

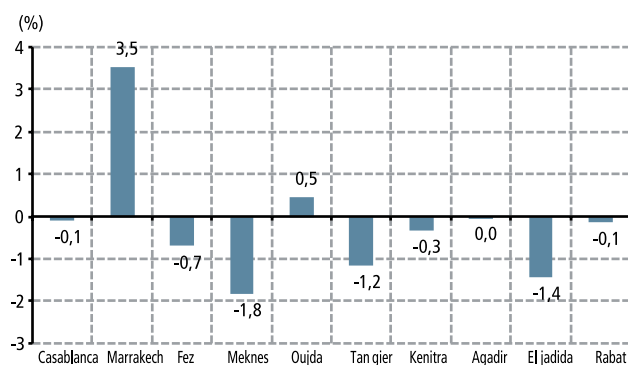
In **Rabat**, prices were virtually stagnant quarter-on-quarter, covering declines of 0.4 percent for residential properties and 20.6 percent for business premises, while prices of urban lands rose by 6.2 percent. Transactions also fell by 17 percent, reflecting lower sales of residential properties by 19.1 percent and for business premises by 6.5 percent and a rise of 7.5 percent for urban lands.

In **Casablanca**, prices were almost stagnant quarter-on-quarter, covering declines of 0.8 percent and 2 percent respectively for residential property and urban lands, and a 9 percent increase in prices of properties for professional use. Sales fell by 28.8 percent after the significant increase of 32.1 percent in Q4-2020. The decline of transactions reflects decreases of 26.1 percent for residential properties, 9 percent for urban lands and 9.6 percent for properties for professional use.

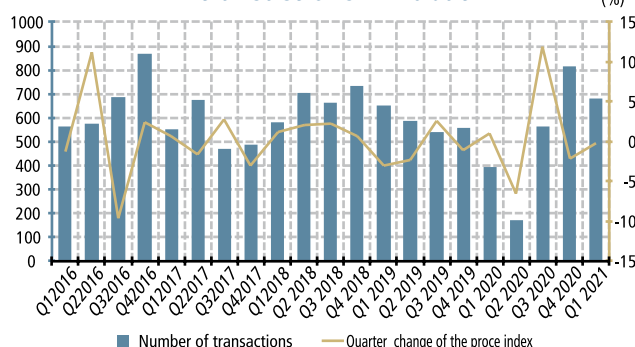
In **Marrakech**, prices rose by 3.5 percent in the first quarter of 2021, due to a 5.6 percent increase in urban lands prices. On the other hand, prices of residential and professional properties decreased by 0.3 percent and 5.9 percent respectively. Transactions contracted by 10.3 percent, reflecting declines by 6.8 percent for residential properties and by 21 percent for urban lands and an increase of 5 percent for properties for professional use.

In **Tangier**, the price index fell by 1.2 percent, as a result of decreases in the prices of residential properties by 2.4 percent and those of properties for professional use by 9.2 percent, those of urban lands having, in contrast, increased by 1.7 percent. Sales, on the other hand, fell by 3.9 percent, following a 9 percent drop in residential properties. Conversely, sales of lands and those of properties for professional use increased by 9.8 percent and 21.6 percent respectively.

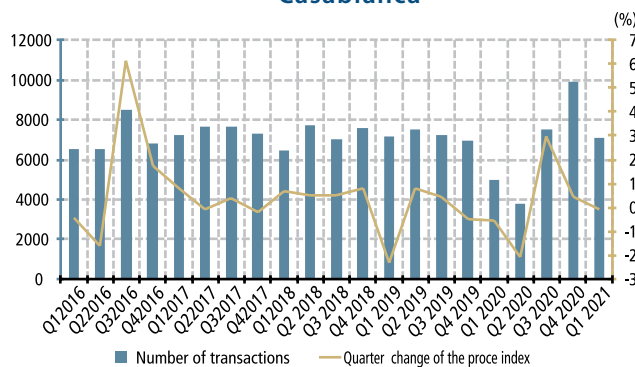
Change in property prices by city (QoQ)



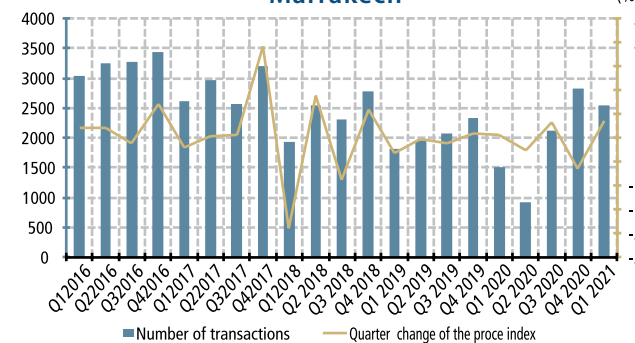
Change in property prices (QoQ, in %) and transactions in Rabat



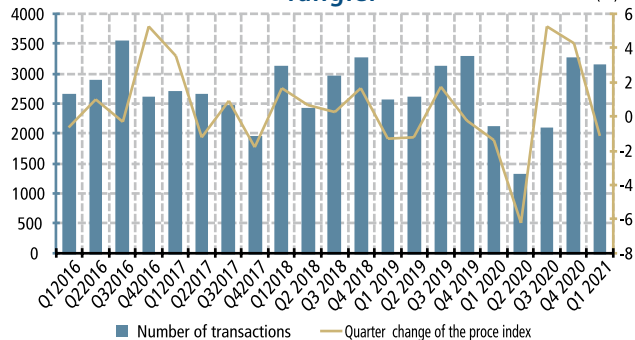
Casablanca



Marrakech



Tangier



Change in the REPI in some major cities

City	Property category	Change (%) Q1-21/ Q4-20	
		Price	Transaction
Agadir	Apartment	-2,5	-25,7
	House	-6,5	-18,9
	Villa	4,8	14,5
	Urban land	1,0	-13,8
	Business premises	4,2	-15,6
	Office	13,6	-8,3
	Total	0,0	-19,8
Casablanca	Apartment	-0,9	-27,0
	House	6,3	4,1
	Villa	-4,4	-12,9
	Urban land	-2,0	-9,0
	Business premises	7,0	-10,2
	Office	17,6	-6,1
	Total	-0,1	-28,8
El Jadida	Apartment	-1,2	5,3
	House	-6,2	11,8
	Villa	10,0	-27,3
	Urban land	-6,8	17,7
	Business premises	-5,7	-18,9
	Office	-	-
	Total	-1,4	-12,6
Fez	Apartment	-4,3	-28,5
	House	1,5	-55,2
	Villa	36,3	-43,3
	Urban land	0,9	-31,4
	Business premises	-1,0	1,6
	Office	23,3	-16,5
	Total	-0,7	-25,8
Kenitra	Apartment	0,0	-8,2
	House	4,7	-15,6
	Villa	-11,6	-33,3
	Urban land	-2,0	-13,1
	Business premises	-5,9	17,2
	Office	-7,4	68,7
	Total	-0,3	-4,0

City	Property category	Change (%) Q1-21/ Q4-20	
		Price	Transaction
Marrakech	Apartment	-0,6	-4,5
	House	3,2	-24,2
	Villa	-2,4	-26,0
	Urban land	5,6	-21,0
	Business premises	-5,5	13,6
	Office	-	-
	Total	3,5	-10,3
Meknes	Apartment	-3,7	-12,4
	House	-2,3	1,5
	Villa	-5,2	-50,0
	Urban land	-1,8	-16,0
	Business premises	-0,6	7,9
	Office	0,9	62,5
	Total	-1,8	-10,6
Oujda	Apartment	3,4	-30,4
	House	-3,5	7,1
	Villa	-	-
	Urban land	2,1	-8,2
	Business premises	-25,3	-19,5
	Office	-	-
	Total	0,5	-13,5
Rabat	Apartment	-0,1	-22,1
	House	3,4	-12,8
	Villa	-2,0	35,5
	Urban land	6,2	7,5
	Business premises	-18,9	20,6
	Office	-	-
	Total	-0,1	-17,0
Tangier	Apartment	-2,7	-9,7
	House	-4,4	3,3
	Villa	0,1	62,5
	Urban land	1,7	9,8
	Business premises	-11,3	14,8
	Office	17,8	72,0
	Total	-1,2	-3,9

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.