

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

In the second quarter of 2021, the real estate price index declined quarter on quarter by 5.4 percent, reflecting decreases in residential prices by 5.6 percent, urban land prices by 5 percent, and business property prices by 7.3 percent. At the same time, the number of transactions rose by 18.8 percent, with an increase by 22 percent for residential property and 29.2 percent for urban land, and a decrease by 20.7 percent for business property.

Year-on-year, real estate asset prices depreciated by 2 percent, with decreases of 2.3 percent for residential assets, 1 percent for urban land, and 4.9 percent for business assets. On the other hand, the number of transactions increased for all property categories.

REPI	Change (%)	
	Q2-21/ Q1-21	Q2-21/ Q2-20
<b>Total</b>	-5.4 ↓	-2.0 ↓
<b>Residential</b>	-5.6 ↓	-2.3 ↓
Apartment	-6.4 ↓	-3.7 ↓
House	-2.5 ↓	4.2 ↑
Villa	-5.1 ↓	0.1 ↑
<b>Urban land</b>	-5.0 ↓	-1.0 ↓
<b>Professional</b>	-7.3 ↓	-4.9 ↓
Business premises	-7.1 ↓	-3.1 ↓
Offices	-8.4 ↓	-13.3 ↓

Number of transactions	Change (%)	
	Q2-21/ Q1-21	Q2-21/ Q2-20
<b>Total</b>	18.8 ↑	220.5 ↑
<b>Residential</b>	22.0 ↑	186.8 ↑
Apartment	22.7 ↑	183.6 ↑
House	13.3 ↑	296.3 ↑
Villa	15.0 ↑	132.1 ↑
<b>Urban land</b>	29.2 ↑	393.9 ↑
<b>Professional</b>	-20.7 ↓	198.5 ↑
Business premises	-20.5 ↓	199.9 ↑
Offices	-22.2 ↓	191.2 ↑

## 2. General trend by asset category

### Residential property

Quarter-to-quarter, residential prices fell by 5.6 percent, reflecting decreases of 6.4 percent for apartments, 2.5 percent for houses and 5.1 percent for villas. As for the volume of transactions, it increased by 22 percent, resulting from increases in sales of apartments by 22.7 percent, houses by 13.3 percent and villas by 15 percent.

Year-on-year, prices fell by 2.3 percent, due to price decreases by 3.7 percent for apartments. On the other hand, the price index rose by 4.2 percent for houses and by 0.1 percent for villas. As for sales, they increased for all categories of residential property.

### Urban land

Urban land price index fell by 5 percent quarter-to-quarter, while transactions rose by 29.2 percent.

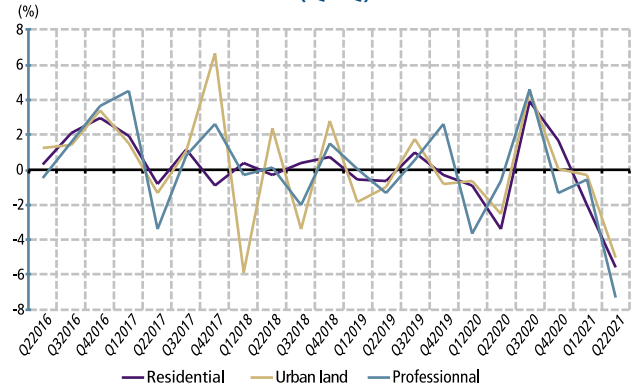
Year on year, urban land prices fell by 1 percent.

### Business property

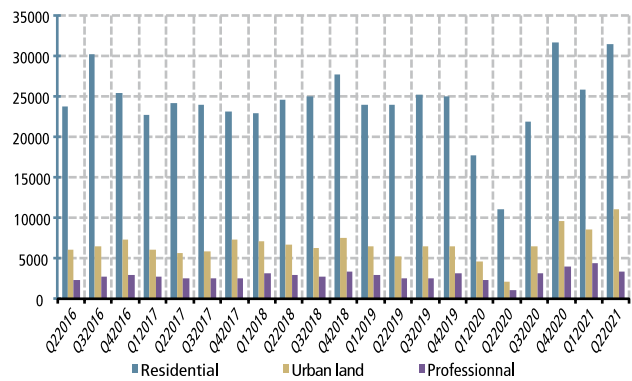
The price index for business property fell by 7.3 percent quarter-to-quarter, as a result of declines by 7.1 percent in commercial premises prices and 8.4 percent in those of office premises. Similarly, transaction volume declined by 20.7 percent, as a result of decreases by 20.5 percent in commercial premises sales and by 22.2 percent in those of office premises.

Year on year, prices for commercial property fell by 4.9 percent, reflecting a 3.1 percent drop in commercial premises and a 13.3 percent drop in office premises. Transactions increased for both commercial and office premises.

Real estate price indexes by category, (QoQ)

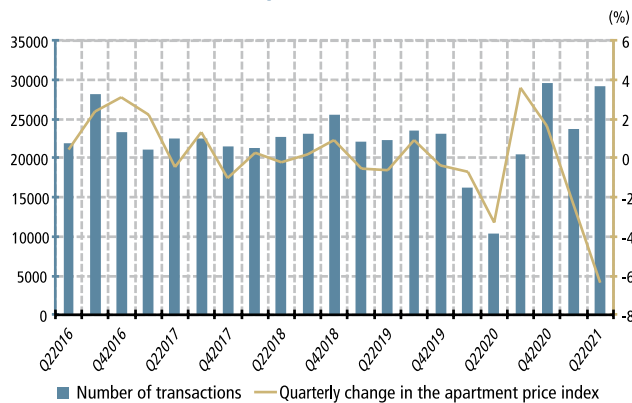


Change in the number of transactions



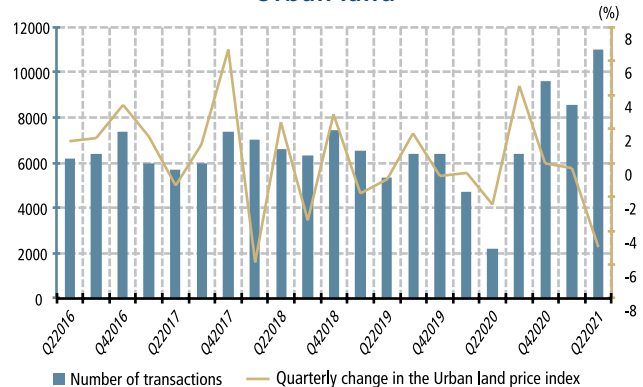
Change in the price index (QoQ,%) and number of transactions

### Apartments



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

### Urban land



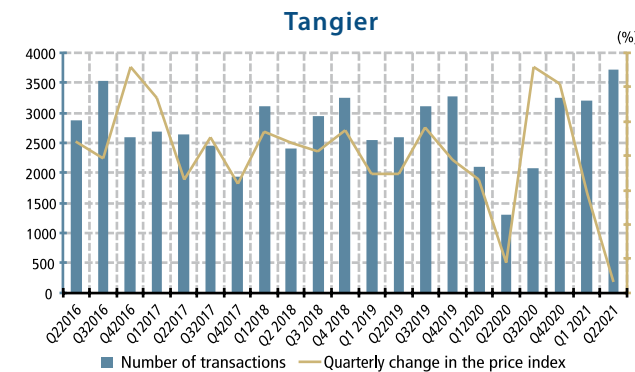
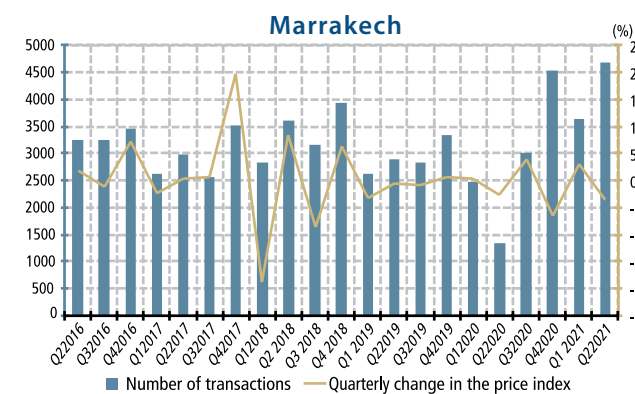
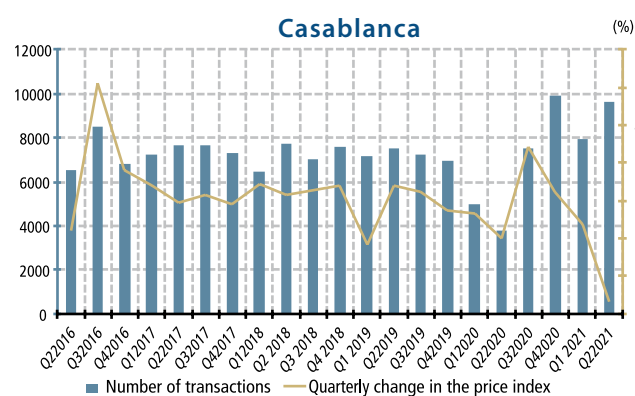
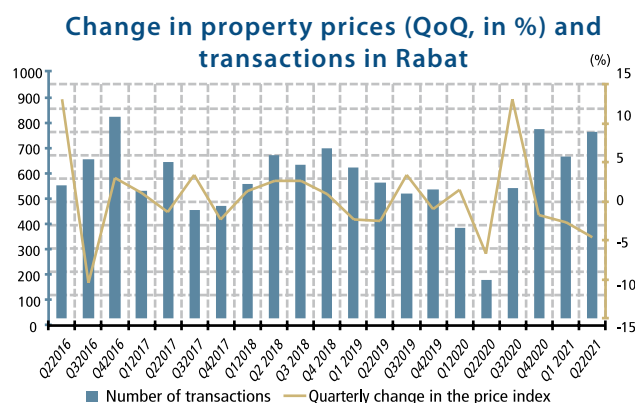
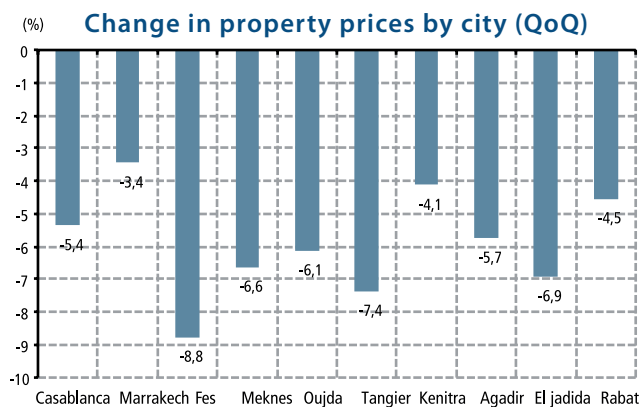
### 3. Real estate market trend by city

In **Rabat**, prices declined by 4.5 percent quarter-to-quarter, covering declines by 5.1 percent for residential property and 2.7 percent for urban land and an increase in prices of property for professional use by 1.5 percent. Sales rose by 14.7 percent, reflecting increases by 17 percent in residential transactions and 13.3 percent in urban land. On the other hand, sales of property for professional use fell by 16.3 percent.

In **Casablanca**, prices fell by 5.4 percent, resulting from decreases by 5.4 percent for residential property, 3 percent for urban land and 7.1 percent for property for professional use. As for sales, they rose by 21 percent, reflecting increases by 29.1 percent for residential property and 18.9 percent for urban land and a decrease by 20.8 percent for property for professional use.

In **Marrakech**, prices recorded a decline of 3.4 percent in the second quarter of 2021. This has affected all categories of property, with decreases by 5.6 percent for residential, 2.3 percent for urban land and 4.6 percent for property for professional use. As for transactions, they have recorded an increase of 28.9 percent, reflecting increases in sales by 27.9 percent for residential property and 49.1 percent for urban land. However, sales of property for professional use declined by 6.9 percent.

In **Tangier**, the price index has marked a decline by 7.4 percent, covering decreases in prices of residential property by 8.5 percent, urban land by 6.5 percent and property for professional use by 6.8 percent. As for sales, they increased by 16.1 percent following the rise by 25.1 percent for residential property. Conversely, sales of urban land fell by 12.7 percent and those of property for professional use stagnated.



## Change in the REPI in some major cities

City	Property category	Change (%)	
		Price Q2-21/ Q1-21	Transaction Q2-21/ Q1-21
Agadir	Apartment	-5.5	-0.5
	House	-0.9	16.7
	Villa	-8.6	-37.7
	Urban land	-6.3	20.5
	Business premises	-7.4	-21.2
	Office	5.4	15.2
	<b>Total</b>	<b>-5.7</b>	<b>2.5</b>
Casablanca	Apartment	-5.7	30.1
	House	-5.9	7.1
	Villa	-2.9	14.5
	Urban land	-3.0	18.9
	Business premises	-6.9	-23.0
	Office	-7.7	-6.3
	<b>Total</b>	<b>-5.4</b>	<b>21.0</b>
El Jadida	Apartment	-8.5	20.9
	House	-8.1	7.9
	Villa	-30.7	-31.3
	Urban land	1.1	90.0
	Business premises	-6.9	10.3
	Office	-	-
	<b>Total</b>	<b>-6.9</b>	<b>27.8</b>
Fez	Apartment	-9.3	30.8
	House	-6.7	61.5
	Villa	-10.4	11.1
	Urban land	-8.2	8.7
	Business premises	-10.2	-26.5
	Office	-13.6	-35.3
	<b>Total</b>	<b>-8.8</b>	<b>14.3</b>
Kenitra	Apartment	-5.6	3.2
	House	-4.1	-5.6
	Villa	-1.3	41.7
	Urban land	-0.8	-3.2
	Business premises	-8.5	-22.2
	Office	-19.3	-48.7
	<b>Total</b>	<b>-4.1</b>	<b>-4.3</b>

City	Property category	Change (%)	
		Price Q2-21/ Q1-21	Transaction Q2-21/ Q1-21
Marrakech	Apartment	-61	27.2
	House	-5.3	57.1
	Villa	-6.0	3.3
	Urban land	-2.3	49.1
	Business premises	-5.7	-9.6
	Office	-	-
	<b>Total</b>	<b>-3.4</b>	<b>28.9</b>
Meknes	Apartment	-9.2	9.4
	House	0.8	4.2
	Villa	-7.6	116.7
	Urban land	-7.9	23.7
	Business premises	-8.1	-30.4
	Office	30.6	-76.9
	<b>Total</b>	<b>-6.6</b>	<b>7.4</b>
Oujda	Apartment	-16.8	17.1
	House	0.4	-0.7
	Villa	-	-
	Urban land	-7.9	2.4
	Business premises	3.3	-21.2
	Office	-27.7	-56.0
	<b>Total</b>	<b>-6.1</b>	<b>4.1</b>
Rabat	Apartment	-5.8	19.6
	House	-11.6	10.5
	Villa	1.0	-9.1
	Urban land	-2.7	13.3
	Business premises	2.5	-22.0
	Office	-	-
	<b>Total</b>	<b>-4.5</b>	<b>14.7</b>
Tangier	Apartment	-10.5	25.7
	House	-2.7	-5.3
	Villa	-12.1	138.5
	Urban land	-6.5	-12.7
	Business premises	-5.3	-7.9
	Office	-18.8	39.5
	<b>Total</b>	<b>-7.4</b>	<b>16.1</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.