

## 1. OVERALL TREND OF THE REAL ESTATE MARKET IN THE 3<sup>rd</sup> QUARTER OF 2021

During the third quarter of 2021, the real estate asset price index rose slightly by 0.2 percent quarter-on-quarter, owing to a 1.5 percent increase in land prices and declines in the prices of residential properties by 0.5 percent and commercial properties by 0.9 percent. Regarding the number of transactions, after the significant increase recorded in Q2-2021\*, real estate sales declined in Q3-2021 to return to their historical levels.

Year-on-year, real estate asset prices depreciated by 5.5 percent, with declines of 6.3 percent in residential assets, 3.7 percent in urban land, and 9.5 percent in commercial properties. Likewise, the number of transactions fell by 10.1 percent, covering a 17.1 percent drop in residential properties and increases of 3.2 percent in urban land and 10.6 percent in commercial properties.

REPI	Change (%)	
	Q3-21/ Q2-21	Q3-21/ Q3-20
<b>Total</b>	<b>0,2</b> ↑	<b>-5,5</b> ↓
<b>Residential</b>	<b>-0,5</b> ↓	<b>-6,3</b> ↓
Apartment	-0,6 ↓	-7,4 ↓
House	0,0	-1,3 ↓
Villa	-2,1 ↓	-7,1 ↓
<b>Urban land</b>	<b>1,5</b> ↑	<b>-3,7</b> ↓
<b>Professional</b>	<b>-0,9</b> ↓	<b>-9,5</b> ↓
Business premises	-1,0 ↓	-8,7 ↓
Offices	-0,3 ↓	-13,8 ↓

Number of transactions	Change (%)	
	Q3-21/ Q2-21	Q3-21/ Q3-20
<b>Total</b>	<b>-40,9*</b> ↓	<b>-10,1</b> ↓
<b>Residential</b>	<b>-45,1</b> ↓	<b>-17,1</b> ↓
Apartment	-46,0 ↓	-19,0 ↓
House	-27,8 ↓	21,1 ↑
Villa	-50,6 ↓	-14,9 ↓
<b>Urban land</b>	<b>-41,5</b> ↓	<b>3,2</b> ↑
<b>Professional</b>	<b>1,0</b> ↑	<b>10,6</b> ↑
Business premises	-3,4 ↓	2,8 ↑
Offices	25,2 ↑	62,5 ↑

\*The rise in the number of transactions in Q2-2021 is mainly due to the high number of deeds of sale established before the expiry of the deadline for the reduction of registration fees (end of June 2021) provided for by the 2021 Finance Law.

## 2. General trend by asset category

### Residential property

**Quarter-on-quarter**, residential prices fell by 0.5 percent, reflecting declines of 0.6 percent in apartments and 2.1 percent in villas and stagnation in houses. As for the volume of transactions, it dropped by 45.1 percent after an increase of 27.9 percent in the previous quarter.

**Year-on-year**, prices fell by 6.3 percent, due to the decline of prices by 7.4 percent in apartments, 7.1 percent in villas and 1.3 percent in houses. Sales fell by 17.1 percent covering a decrease of 19 percent in apartments and 14.9 percent in villas and an increase by 21.1 percent in houses.

### Urban land

The urban land prices index rose 1.5 percent, **quarter-on-quarter**, while transactions were down 41.5 percent after the 32.1 percent increase recorded in Q2-2021.

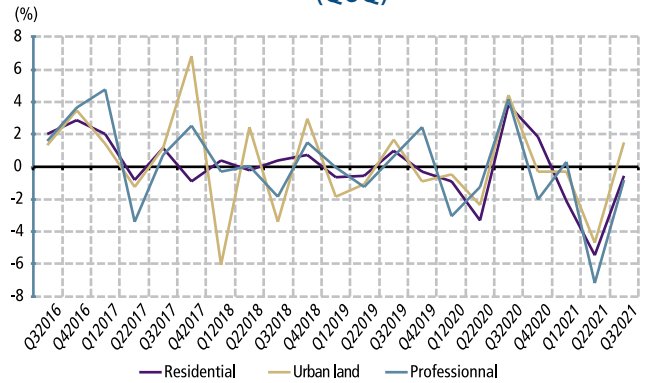
**Year-on-year**, urban lands prices declined by 3.7 percent. Conversely, the volume of transactions was up 3.2 percent.

### Commercial properties

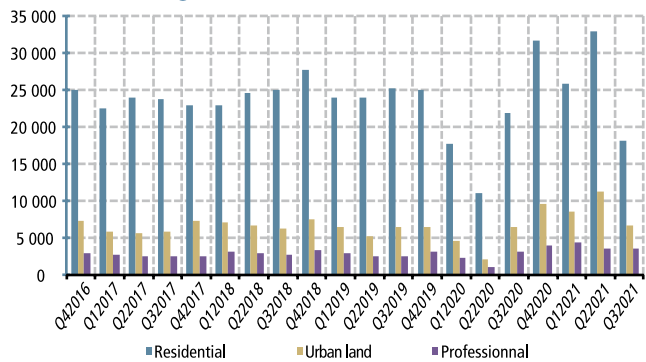
The price index for commercial property decreased by 0.9 percent **quarter-on-quarter**, as a result of prices declines by 1 percent in commercial properties and 0.3 percent in offices. On the other hand, the volume of transactions increased by 1 percent, covering a 25.2 percent increase in office sales and a 3.4 percent decrease in commercial properties.

**Year-on-year**, commercial properties prices dropped by 9.5 percent, reflecting a 13.8 percent decline in offices and a decrease of 8.7 percent in commercial premises. As for transactions, they increased for both offices and commercial premises.

Real estate price indexes by category, (QoQ)

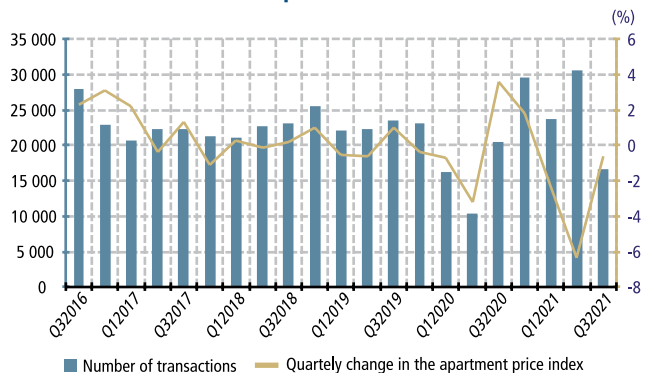


Change in the number of transactions



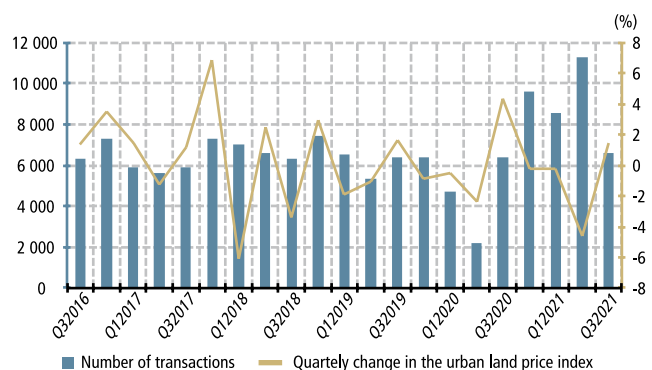
Change in the price index (QoQ,%) and number of transactions

#### Apartments



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

#### Urban land



### 3. Real estate market trend by city

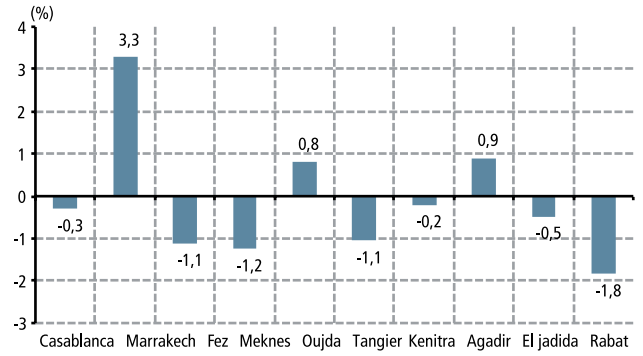
In **Rabat**, prices fell by 1.8 percent quarter-on-quarter, covering declines by 2.3 percent in residential properties and 1.9 percent in urban land, while commercial properties prices increased by 3.3 percent.

In **Casablanca**, prices recorded a quarterly lowering of 0.3%, covering a decline of 1 percent in residential properties and increases of 0.9 percent in urban land and 3.2% in commercial properties.

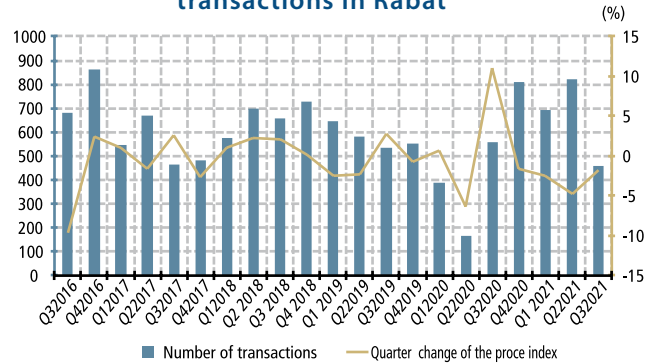
In **Marrakech**, prices reported an increase of 3.3 percent, compared to the previous quarter, resulting from a rise by 1.6 percent in residential properties and 4.6 percent in urban land and a decline by 3.3 percent in commercial properties.

In **Tangier**, the price index posted a decline of 1.1 percent, covering falls in prices of residential properties by 1.3 percent, urban land by 0.5 percent and commercial properties by 2.1 percent.

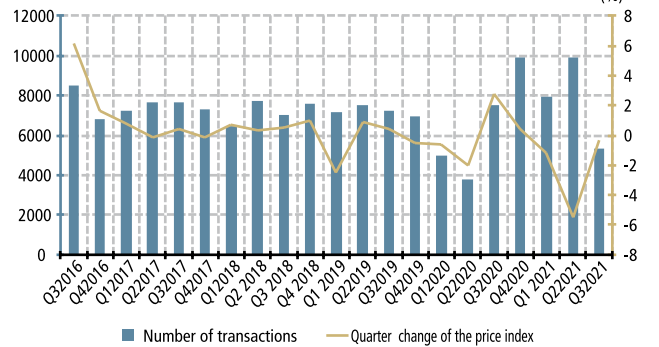
Change in property prices by city (QoQ)



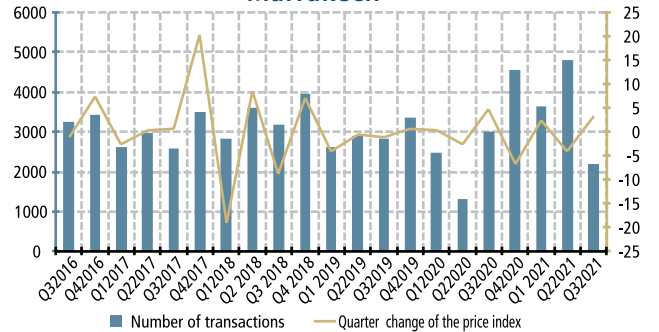
Change in property prices (QoQ, in %) and transactions in Rabat



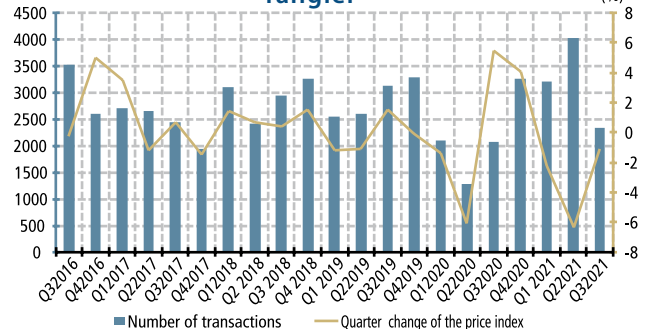
Casablanca



Marrakech



Tangier



## Change in the REPI in some major cities

City	Property category	Change (%) Q3-21/ Q2-21	
		Price	Transaction
Agadir	Apartment	-0.2	-45.2
	House	4.9	-36.1
	Villa	-1.5	-59.6
	Urban land	2.1	-55.1
	Business premises	1.0	-12.0
	Office	-15.3	-15.0
	<b>Total</b>	<b>0.9</b>	<b>-45.2</b>
Casablanca	Apartment	-0.8	-52.5
	House	-2.6	-35.5
	Villa	-2.8	-44.2
	Urban land	0.9	-31.8
	Business premises	5.4	-5.8
	Office	-2.0	4.5
	<b>Total</b>	<b>-0.3</b>	<b>-46.0</b>
El Jadida	Apartment	0.0	-25.0
	House	0.2	2.4
	Villa	10.5	-8.3
	Urban land	-1.2	-54.7
	Business premises	-3.9	-11.0
	Office	-	-
	<b>Total</b>	<b>-0.5</b>	<b>-28.7</b>
Fez	Apartment	-2.0	-48.8
	House	-	-
	Villa	-16.0	-60.0
	Urban land	0.5	-50.4
	Business premises	-3.9	4.6
	Office	6.8	52.7
	<b>Total</b>	<b>-1.1</b>	<b>-42.5</b>
Kenitra	Apartment	-1.3	-40.8
	House	-2.8	-6.9
	Villa	-3.9	-35.3
	Urban land	2.6	-41.9
	Business premises	-2.4	15.7
	Office	20.3	59.7
	<b>Total</b>	<b>-0.2</b>	<b>-30.5</b>

City	Property category	Change (%) Q3-21/ Q2-21	
		Price	Transaction
Marrakech	Apartment	1.5	-60.7
	House	3.5	-33.7
	Villa	15.2	-42.9
	Urban land	4.6	-51.4
	Business premises	-2.9	-18.7
	Office	-5.7	24.1
	<b>Total</b>	<b>3.3</b>	<b>-54.2</b>
Meknes	Apartment	-1.2	-53.6
	House	-1.8	-28.6
	Villa	9.7	-64.3
	Urban land	-0.4	-47.7
	Business premises	-1.8	22.2
	Office	-24.4	0.0
	<b>Total</b>	<b>-1.2</b>	<b>-45.7</b>
Oujda	Apartment	-3.1	-40.0
	House	-3.5	-33.6
	Villa	-	-
	Urban land	3.1	-8.2
	Business premises	-5.6	0.0
	Office	-36.8	-16.7
	<b>Total</b>	<b>0.8</b>	<b>-21.9</b>
Rabat	Apartment	-2.1	-49.9
	House	-10.4	-9.5
	Villa	1.8	-17.5
	Urban land	-1.9	-45.3
	Business premises	5.2	-12.1
	Office	2.2	75.0
	<b>Total</b>	<b>-1.8</b>	<b>-43.8</b>
Tangier	Apartment	-1.7	-47.1
	House	1.7	-17.7
	Villa	-	-
	Urban land	-0.5	-42.5
	Business premises	-1.9	0.0
	Office	-3.1	83.6
	<b>Total</b>	<b>-1.1</b>	<b>-41.9</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.