

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

In the fourth quarter of 2021, the real estate asset price index recorded a slight increase of 0.2 percent, due to increases of 0.4 percent in residential prices and 2.3 percent in the prices of properties for professional use. Land prices, on the other hand, fell by 0.2 percent. At the same time, the number of transactions increased by 35.1 percent with increases of 43.2 percent for residential, 20.9 percent for land and 20.6 percent for properties for professional use.

Year-on-year, the real estate price index depreciated by 6 percent. The decline concerned all property categories, with rates at 7.6 percent for residential, 3.7 percent for land and 5.2 percent for properties for professional use. As for the number of transactions, it dropped by 14.7 percent reflecting decreases of 16.8 percent for residential property and 16.5 percent for urban land and an increase of 6.5 percent for properties for professional use.

| REPI | Change (%) | |
|---------------------|-----------------|-----------------|
| | Q4-21/ Q3-21 | Q4-21/ Q4-20 |
| Total | 0,2 ↑ | -6,0 ↓ |
| Residential | 0,4 ↑ | -7,6 ↓ |
| Apartment | 0,3 ↑ | -8,8 ↓ |
| House | 0,9 ↑ | -3,2 ↓ |
| Villa | -1,4 ↓ | -7,1 ↓ |
| Urban land | -0,2 ↓ | -3,7 ↓ |
| Professional | 2,3 ↑ | -5,2 ↓ |
| Business premises | 2,7 ↑ | -6,3 ↓ |
| Offices | -0,4 ↓ | -0,6 ↓ |

| Number of transactions | Change (%) | |
|------------------------|-----------------|-----------------|
| | Q4-21/ Q3-21 | Q4-21/ Q4-20 |
| Total | 35,1 ↑ | -14,7 ↓ |
| Residential | 43,2 ↑ | -16,8 ↓ |
| Apartment | 44,8 ↑ | -17,6 ↓ |
| House | 24,0 ↑ | 4,4 ↑ |
| Villa | 33,1 ↑ | -32,3 ↓ |
| Urban land | 20,9 ↑ | -16,5 ↓ |
| Professional | 20,6 ↑ | 6,5 ↑ |
| Business premises | 26,8 ↑ | 7,0 ↑ |
| Offices | -5,4 ↓ | 3,8 ↑ |

For 2021 as a whole, the price index of real estate assets depreciated by 3.2 percent, as a result of decreases of 4 percent in the prices of residential assets, 1.7 percent in those of urban land and 4.3 percent in those of properties for professional use. As for the number of transactions, and after a year 2020 marked by the advent of the health crisis, it rose by 32.8 percent, covering increases of 26.1 percent for residential, 50.1 percent for urban land and 45.9 percent for properties for professional use.

2. General trend by asset category

Residential property

Quarter-on-quarter, residential prices rose by 0.4 percent, with increases of 0.3 percent in apartment prices and 0.9 percent in house prices. On the other hand, villa prices fell by 1.4 percent. As for transactions, they rose by 43.2 percent, with increases of 44.8 percent for apartments, 24 percent for houses and 33.1 percent for villas.

Year-on-year, residential prices dropped by 7.6 percent, reflecting price decreases of 8.8 percent for apartments, 3.2 percent for houses and 7.1 percent for villas. The number of transactions fell by 16.8 percent, as a result of a 17.6 percent drop in apartment sales and a 32.3 percent drop in villa sales, while house sales rose by 4.4 percent.

Urban land

Quarter-on-quarter, urban land prices fell slightly by 0.2 percent. At the same time, transactions increased by 20.9 percent quarter-on-quarter.

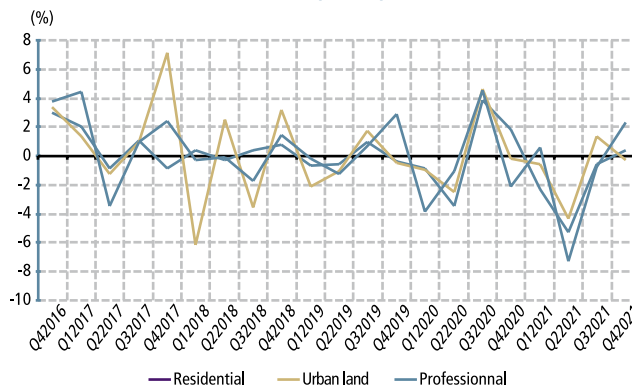
Year-on-year, urban land prices fell by 3.7 percent and the number of transactions declined by 16.5 percent.

Professional

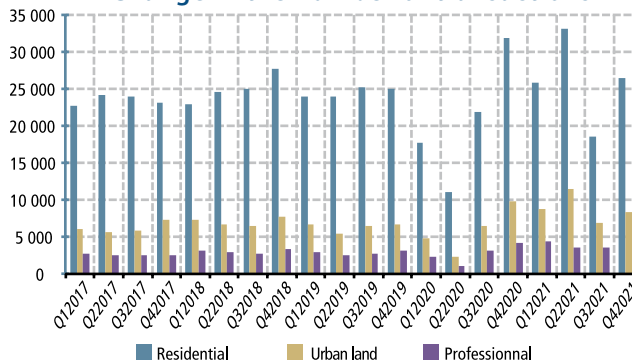
Quarter-on-quarter, prices for properties for professional use increased by 2.3 percent, with a 2.7 percent increase for commercial premises and 0.4 percent decrease for offices. The number of transactions increased however by 20.6 percent, reflecting a 26.8 percent increase for commercial premises and a 5.4 percent decrease for offices.

Year-on-year, prices fell by 5.2 percent, with price declines of 6.3 percent for commercial properties and 0.6 percent for offices. Transactions, on the other hand, were up by 6.5 percent, as a result of the increase of commercial premises sales by 7 percent and offices by 3.8 percent.

Real estate price indexes by category, (QoQ)

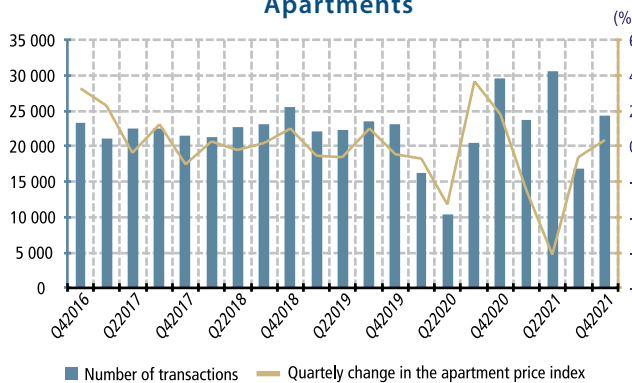


Change in the number of transactions



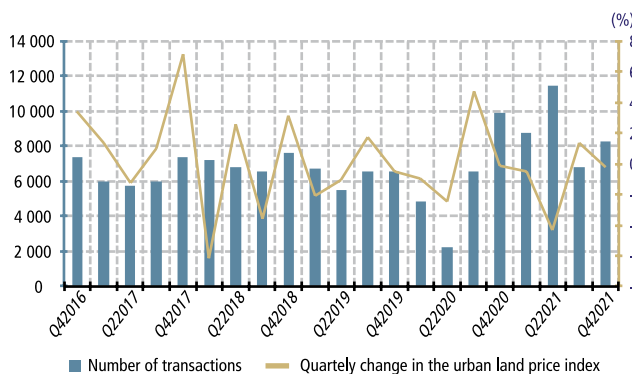
Change in the price index (QoQ,%) and number of transactions

Apartments



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

Urban land



3. Real estate market trend by city

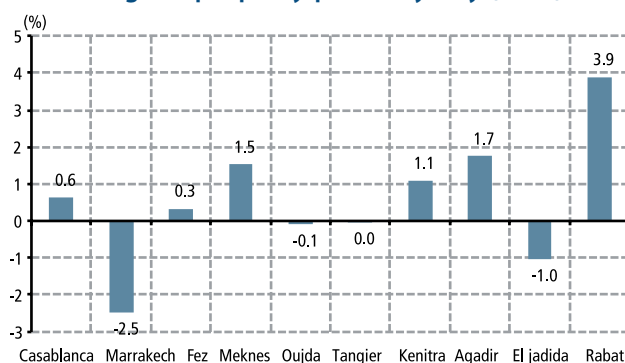
In **Casablanca**, prices rose by 0.6 percent from one quarter to another, as a result of increases of 0.8 percent for residential property, 1.3 percent for land and 0.4 percent for properties for professional use. Sales increased by 65 percent, reflecting increases in residential properties (78.2 percent), land (33.2 percent), and business assets for professional use (21.6 percent). For 2021, the price index depreciated by 4.2 percent and transactions increased by 23.4 percent.

In **Rabat**, prices increased quarterly by 3.9 percent, covering increases in the prices of residential properties (5 percent) and land (9.5 percent) and a decrease in those of assets for professional use (12.9 percent). Transactions increased by 41.9 percent, reflecting the increase in sales of residential property (38.9 percent), land (75.9 percent) and assets for professional use (48.6 percent). For 2021, prices fell by 3.5 percent and transactions increased by 37.8 percent.

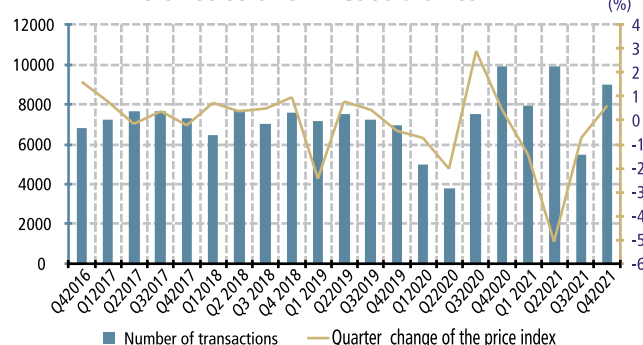
In **Marrakech**, prices depreciated by 2.5 percent from one quarter to another, due to 1 percent drop in residential property prices and 3.5 percent drop in land prices. Prices for properties for professional use rose, on the other hand, by 3.9 percent. At the same time, transactions increased by 52.8 percent, reflecting the increase in all property categories, with 76.5 percent for residential property, 15.9 percent for land and 3.2 percent for properties for professional use. For 2021, prices fell by 3.2 percent and sales rose by 24.1 percent.

In **Tangier**, the price index stagnated compared to the previous quarter, with decreases of 0.5 percent for residential properties and 1.5 percent for land and an increase of 13 percent for assets for professional use. Regarding sales, they rose by 23.1 percent, covering increases of 32.4 percent for residential properties and 19.8 percent for land and a decrease of 24.6 percent for properties for professional use. For 2021, prices fell by 3.2 percent and the number of transactions rose by 43.4 percent.

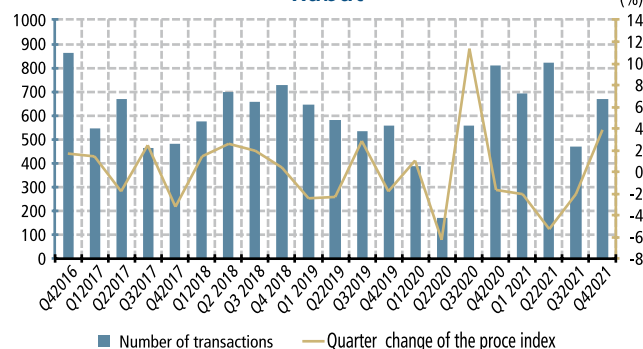
Change in property prices by city (QoQ)



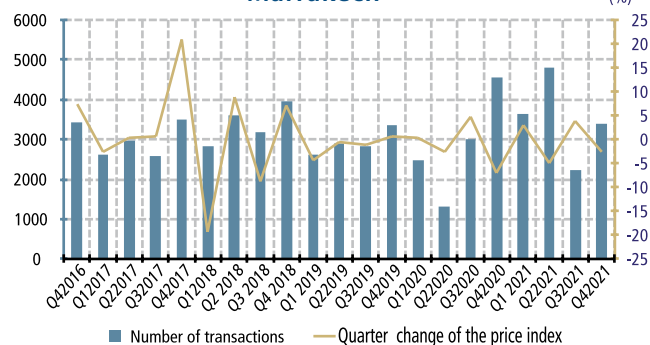
Change in property prices (QoQ, in %) and transactions in Casablanca



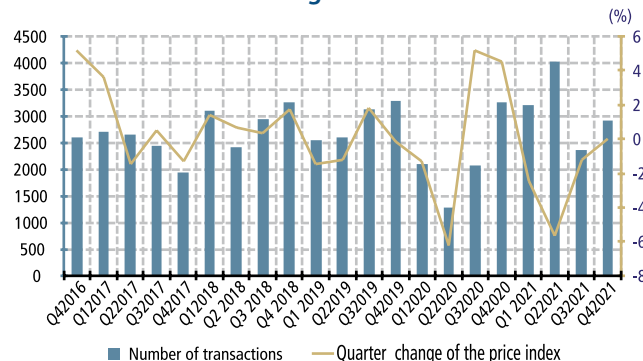
Rabat



Marrakech



Tangier



Change in the REPI in some major cities

| City | Property category | Change (%) Q4-21/ Q3-21 | |
|------------|-------------------|-------------------------|-------------|
| | | Price | Transaction |
| Agadir | Apartment | 0,3 | 44,1 |
| | House | -1,1 | 40,0 |
| | Villa | 7,3 | 50,0 |
| | Urban land | 5,2 | 38,4 |
| | Business premises | -6,0 | 13,4 |
| | Office | 13,0 | 5,9 |
| | Total | 1,7 | 38,4 |
| Casablanca | Apartment | 0,7 | 80,7 |
| | House | 4,7 | 45,9 |
| | Villa | -2,5 | 23,4 |
| | Urban land | 1,3 | 33,2 |
| | Business premises | -0,5 | 24,4 |
| | Office | 2,4 | 8,5 |
| | Total | 0,6 | 65,0 |
| El Jadida | Apartment | -2,4 | 4,6 |
| | House | 4,6 | 0,0 |
| | Villa | 18,1 | 16,7 |
| | Urban land | 2,3 | 17,7 |
| | Business premises | 9,5 | -4,8 |
| | Office | - | - |
| | Total | -1,0 | 5,6 |
| Fez | Apartment | 0,0 | 34,4 |
| | House | 10,6 | 300,0 |
| | Villa | - | - |
| | Urban land | 0,5 | 26,1 |
| | Business premises | 0,8 | 7,6 |
| | Office | -4,4 | -1,2 |
| | Total | 0,3 | 26,6 |
| Kenitra | Apartment | 1,6 | 40,8 |
| | House | 4,6 | 21,7 |
| | Villa | -2,2 | 72,7 |
| | Urban land | -0,6 | 28,9 |
| | Business premises | 3,0 | -1,1 |
| | Office | -4,9 | -18,8 |
| | Total | 1,1 | 26,7 |

| City | Property category | Change (%) Q4-21/ Q3-21 | |
|-----------|-------------------|-------------------------|-------------|
| | | Price | Transaction |
| Marrakech | Apartment | -1,2 | 80,7 |
| | House | -0,2 | 39,1 |
| | Villa | -8,6 | 45,9 |
| | Urban land | -3,5 | 15,9 |
| | Business premises | 2,7 | 6,1 |
| | Office | 7,4 | -5,9 |
| | Total | -2,5 | 52,8 |
| Meknes | Apartment | 0,8 | 72,7 |
| | House | 1,8 | 31,6 |
| | Villa | - | - |
| | Urban land | 2,6 | 67,2 |
| | Business premises | -1,9 | 10,4 |
| | Office | 19,3 | 55,6 |
| | Total | 1,5 | 59,7 |
| Oujda | Apartment | 1,1 | 20,3 |
| | House | 0,1 | 28,0 |
| | Villa | - | - |
| | Urban land | -0,2 | 0,5 |
| | Business premises | 11,6 | -33,3 |
| | Office | 28,0 | 10,0 |
| | Total | -0,1 | 8,6 |
| Rabat | Apartment | 5,0 | 50,9 |
| | House | 20,6 | -28,9 |
| | Villa | -10,0 | -2,9 |
| | Urban land | 9,5 | 75,9 |
| | Business premises | -12,8 | 33,3 |
| | Office | - | - |
| | Total | 3,9 | 41,9 |
| Tangier | Apartment | -0,5 | 33,6 |
| | House | -0,6 | -1,3 |
| | Villa | - | - |
| | Urban land | -1,5 | 19,8 |
| | Business premises | 13,9 | 3,8 |
| | Office | 7,4 | -77,0 |
| | Total | 0,0 | 23,1 |

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.