

## 1. OVERALL TREND OF THE REAL ESTATE MARKET IN THE FIRST QUARTER OF 2022

In the first quarter of 2022, the real estate price index (REPI) recorded a quarterly decline of 0.3 percent, due to decreases of 0.3 percent for residential properties and 2.5 percent for properties for professional use. Land prices, on the other hand, have stagnated. At the same time, the number of transactions dropped by 10.5 percent with decreases of 9.8 percent for residential properties, 11.2 percent for urban lands and 13.5 percent for properties for professional use.

Year-on-year, the REPI depreciated by 4.9 percent compared to Q1-2021, as a result of price decreases of 5.8 percent for residential property, 2.9 percent for urban lands and 8.6 percent for properties for professional use. As for number of transactions, it dropped by 9.3 percent reflecting decreases of sales by 6.6 percent for residential properties and of 15.7 percent for lands and of 11.9 percent for properties for professional use.

REPI	Change (%)	
	Q1-22/ Q4-21	Q1-22/ Q1-21
<b>Total</b>	<b>-0,3</b> ↓	<b>-4,9</b> ↓
<b>Residential</b>	<b>-0,3</b> ↓	<b>-5,8</b> ↓
Apartment	-0,2 ↓	-6,6 ↓
House	-0,6 ↓	-2,4 ↓
Villa	0,5 ↑	-6,6 ↓
<b>Urban land</b>	<b>0,0</b>	<b>-2,9</b> ↓
<b>Professional</b>	<b>-2,5</b> ↓	<b>-8,6</b> ↓
Business premises	-0,6 ↓	-6,8 ↓
Offices	-5,8 ↑	-13,5 ↓

Number of transactions	Change (%)	
	Q1-22/ Q4-21	Q1-22/ Q1-21
<b>Total</b>	<b>-10,5</b> ↓	<b>-9,3</b> ↓
<b>Residential</b>	<b>-9,8</b> ↓	<b>-6,6</b> ↓
Apartment	-10,2 ↓	-6,7 ↓
House	-10,2 ↓	-4,6 ↓
Villa	16,5 ↑	-8,2 ↓
<b>Urban land</b>	<b>-11,2</b> ↓	<b>-15,7</b> ↓
<b>Professional</b>	<b>-13,5</b> ↓	<b>-11,9</b> ↓
Business premises	-15,6 ↓	-13,4 ↓
Offices	-1,4 ↓	-4,1 ↓

## 2. General trend by asset category

### Residential property

**Quarter-to-quarter**, residential prices fell by 0.3 percent, due to decreases of 0.2 percent of apartment prices and 0.6 percent of house prices. On the other hand, villa prices rose by 0.5 percent. As for transactions, they dropped by 9.8 percent, reflecting decreases of 10.2 percent for apartments and houses and an increase of 16.5 percent for villas.

**Year-on-year**, residential prices depreciated by 5.8 percent, as a result of price decreases of 6.6 percent for apartments and villas and 2.4 percent for houses. As for transactions, their number fell by 6.6 percent, reflecting decreases of 6.7 percent for apartment and 4.6 percent for houses and 8.2 percent for villas.

### Urban lands

**Quarter-on-quarter**, lands prices remained unchanged, while transactions fell by 11.2 percent quarter-on-quarter.

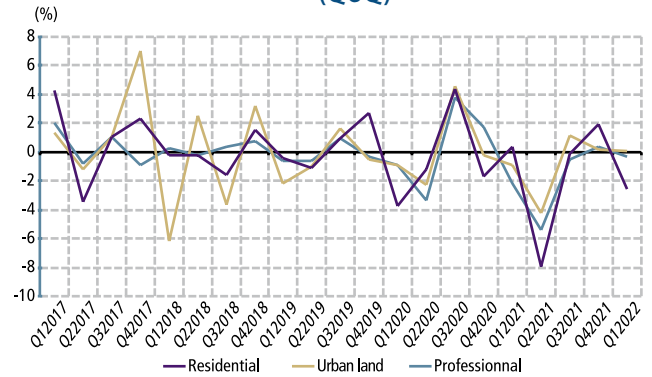
**Year-on-year**, urban land prices fell by 2.9 percent and the number of transactions declined by 15.7 percent.

### Professional

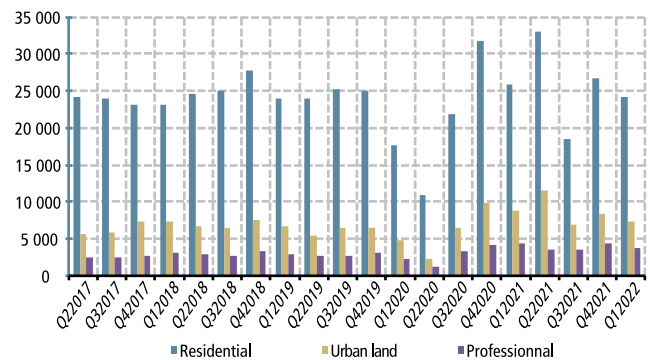
**Quarter-on-quarter**, prices for properties for professional use declined by 2.5 percent, covering a decrease of 0.6 percent for commercial premises and 5.8 percent for offices. As for the number of transactions, it recorded a decrease of 13.5 percent, reflecting a drop of 15.6 percent for commercial premises and 1.4 percent for offices.

**Year-on-year**, prices fell by 8.6 percent, with price declines of 6.8 percent for commercial properties and 13.5 percent for offices. Regarding transactions, they recorded a drop of 11.9 percent, as a result of the decrease of commercial premises sales by 13.4 percent and offices by 4.1 percent.

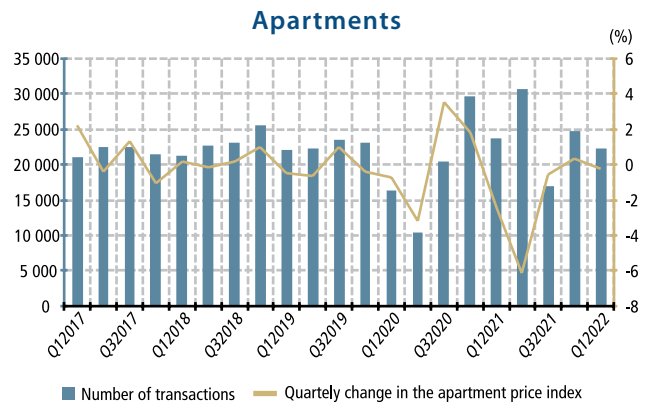
Real estate price indexes by category, (QoQ)



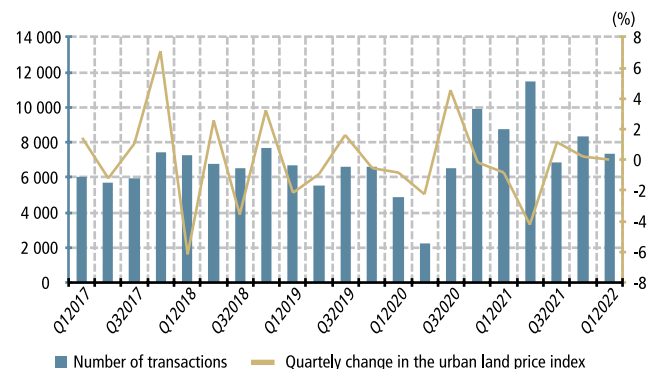
Change in the number of transactions



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



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



### 3. Real estate market trend by city

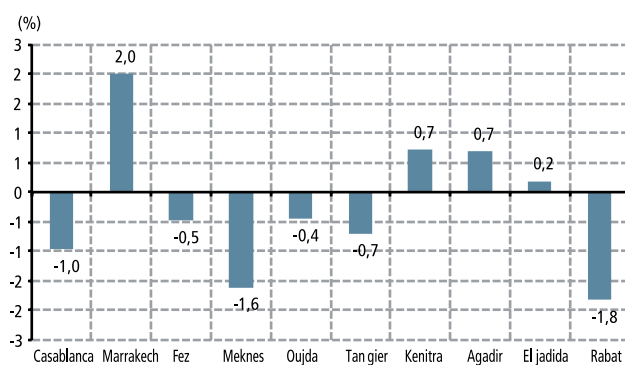
In Casablanca, prices fell by 1 percent from one quarter to another, as a result of declines of 0.1 percent for residential properties, 1.6 percent for urban lands and 6.3 percent for properties for professional use. As for sales, they fell by 16.2 percent, reflecting decreases in transactions of residential properties (19.1 percent) and urban lands (15.7 percent) and an increase in those of assets for professional use (2.3 percent).

In Rabat, prices dropped by 1.8 percent, covering decreases in the prices of residential properties (1.6 percent) and urban lands (10.8 percent) and an increase in those of assets for professional use (14.9 percent). Similarly, transactions fell by 22.6 percent, reflecting the decline in sales of residential property (21.9 percent), lands (35.3 percent) and properties for professional use (18.2 percent).

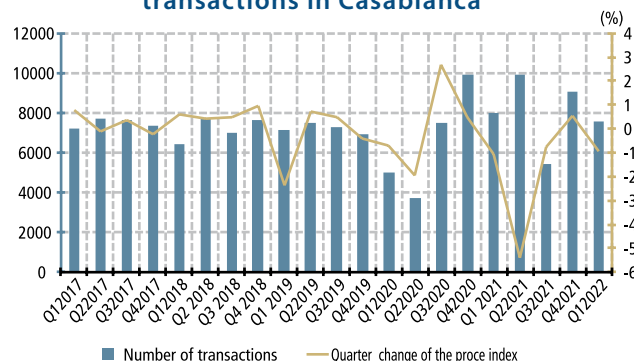
In Marrakech, prices increased by 2 percent from one quarter to another, related to the rise of 0.3 percent in residential property prices and 3.6 percent in land prices. On the other hand, Prices for assets for professional use fell by 2.1 percent. At the same time, transactions dropped by 16.1 percent, reflecting the drop in all property categories, with 16.6 percent for residential properties, 15.5 percent for urban lands and 12.9 percent for properties for professional use.

In Tangier, the price index fell by 0.7 percent, due to decreases of 1.1 percent for residential properties and 5.7 percent for assets for professional use and an increase of 0.3 percent for lands. Regarding sales, they fell by 5.3 percent, covering decreases of 5.5 percent for residential properties and 28.7 percent for properties for professional use and an increase of 11.7 percent for lands.

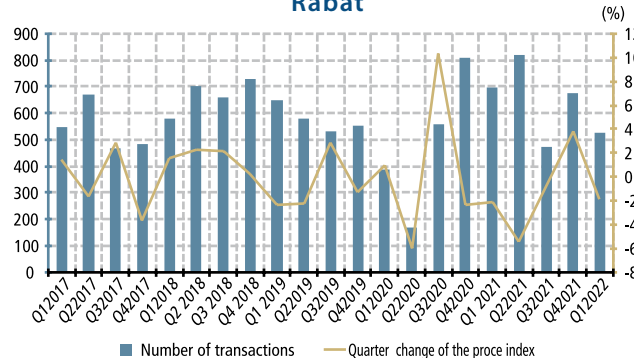
Change in property prices by city (QoQ)



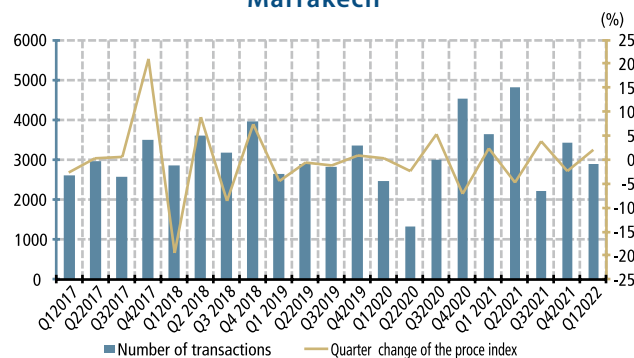
Change in property prices (QoQ, in %) and transactions in Casablanca



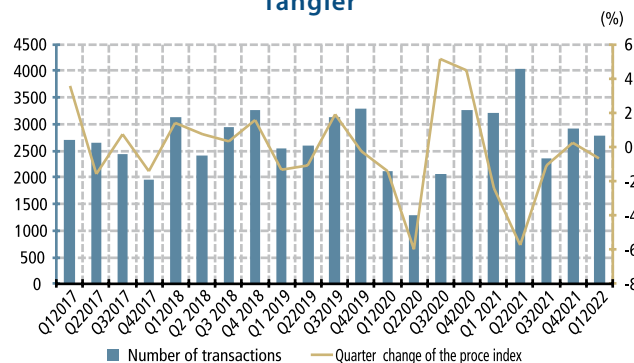
Rabat



Marrakech



Tangier



## Change in the REPI in some major cities

City	Property category	Change (%) Q1-22/ Q4-21	
		Price	Transaction
Agadir	Apartment	-1.4	39.0
	House	-1.4	-14.1
	Villa	-4.9	6.7
	Urban land	2.4	4.5
	Business premises	10.2	18.5
	Office	0.2	13.5
	<b>Total</b>	<b>0.7</b>	<b>25.0</b>
Casablanca	Apartment	-0.1	-19.7
	House	0.1	-11.7
	Villa	0.2	-0.7
	Urban land	-1.6	-15.7
	Business premises	-0.7	-1.3
	Office	-10.2	21.9
	<b>Total</b>	<b>-1.0</b>	<b>-16.2</b>
El Jadida	Apartment	1.1	-11.7
	House	-2.2	-6.5
	Villa	3.9	-21.4
	Urban land	0.5	-13.0
	Business premises	-10.6	8.9
	Office	-	-
	<b>Total</b>	<b>0.2</b>	<b>-10.7</b>
Fez	Apartment	-0.1	-6.4
	House	-6.7	41.7
	Villa	-	-
	Urban land	-1.9	4.4
	Business premises	2.1	4.9
	Office	-0.2	-26.2
	<b>Total</b>	<b>-0.5</b>	<b>-1.3</b>
Kenitra	Apartment	0.6	7.6
	House	2.3	-17.6
	Villa	13.8	-4.8
	Urban land	0.5	-3.6
	Business premises	5.1	-8.9
	Office	9.8	11.0
	<b>Total</b>	<b>0.7</b>	<b>2.6</b>

City	Property category	Change (%) Q1-22/ Q4-21	
		Price	Transaction
Marrakech	Apartment	0.9	-17.5
	House	-3.9	-5.9
	Villa	8.0	-7.4
	Urban land	3.6	-15.5
	Business premises	-1.4	-5.2
	Office	-17.8	-40.6
	<b>Total</b>	<b>2.0</b>	<b>-16.1</b>
Meknes	Apartment	-0.7	-6.4
	House	-5.9	-16.0
	Villa	-7.9	-11.1
	Urban land	-2.1	-18.1
	Business premises	2.9	-11.9
	Office	-	-
	<b>Total</b>	<b>-1.6</b>	<b>-11.0</b>
Oujda	Apartment	0.4	5.6
	House	1.8	5.5
	Villa	-	-
	Urban land	-0.5	-24.2
	Business premises	-2.9	61.1
	Office	-	-
	<b>Total</b>	<b>-0.4</b>	<b>-10.0</b>
Rabat	Apartment	-1.2	-26.7
	House	-6.3	29.6
	Villa	5.7	8.8
	Urban land	-10.8	-35.3
	Business premises	9.3	-2.5
	Office	-	-
	<b>Total</b>	<b>-1.8</b>	<b>-22.6</b>
Tangier	Apartment	-0.8	-5.6
	House	-3.4	-3.8
	Villa	-16.5	0.0
	Urban land	0.3	11.7
	Business premises	-6.8	-40.8
	Office	4.2	73.1
	<b>Total</b>	<b>-0.7</b>	<b>-5.3</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.