

1. GENERAL TREND OF THE REAL ESTATE MARKET IN THE SECOND QUARTER 2022

In the second quarter of 2022, the real estate price index rose by 0.2 percent, reflecting a 0.3 percent increase in residential prices, a 0.1 percent increase in land prices, and a 1.1 percent increase in property used for professional purposes. At the same time, the number of transactions increased by 4.6 percent, covering an increase of 8.1 percent for residential property and decreases of 3.7 percent for lands and 1.9 percent for commercial property.

Year on year, the real estate asset price index appreciated by 0.4 percent compared to Q2-2021, resulting from the 1.8 percent increase in lands and decreases of 0.2 percent in residential and 0.4 percent in property used for professional purposes. As for the number of transactions, it decreased by 22.5 percent, in connection with the 20.4 percent decline in sales of residential properties and 37.7 percent of lands. On the other hand, sales of goods for professional use increased by 7.2 percent.

REPI	Change (%)	
	Q2-22/ Q1-22	Q2-22/ Q2-21
Total	0.2 ↑	0.4 ↑
Residential	0.3 ↑	-0.2 ↓
Apartment	0.2 ↑	-0.5 ↓
House	-0.2 ↓	0.5 ↑
Villa	3.7 ↑	1.2 ↑
Urban land	0.1 ↑	1.8 ↑
Professional	1.1 ↑	-0.4 ↓
Business premises	-1.1 ↓	-0.7 ↓
Offices	8.5 ↑	1.9 ↑

Number of transactions	Change (%)	
	Q2-22/ Q1-22	Q2-22/ Q2-21
Total	4.6 ↑	-22.5 ↓
Residential	8.1 ↑	-20.4 ↓
Apartment	8.2 ↑	-21.0 ↓
House	8.5 ↑	-10.5 ↓
Villa	5.8 ↑	-15.8 ↓
Urban land	-3.7 ↓	-37.7 ↓
Professional	-1.9 ↓	7.2 ↑
Business premises	-0.8 ↓	6.2 ↑
Offices	-7.0 ↓	12.5 ↑

2. General trend by property category

Residential property

Quarter-to-quarter, residential prices rose by 0.3 percent, in the light of increases in apartment prices by 0.2 percent and villas' by 3.7 percent. On the other hand, house prices fell by 0.2 percent. As for transactions, they rose by 8.1 percent, with increases of 8.2 percent for apartments, 8.5 percent for houses and 5.8 percent for villas.

Year on year, residential prices fell by 0.2 percent, in line with the 0.5 percent decline in apartment prices. Conversely, houses and villas prices rose by 0.5 percent and 1.2 percent respectively. The number of transactions dropped by 20.4 percent, reflecting decreases of 21 percent for apartments, 10.5 percent for houses and 15.8 percent for villas.

Urban lands

Quarter on quarter, lands prices rose by 0.1 percent, while transactions fell by 3.7 percent quarter on quarter.

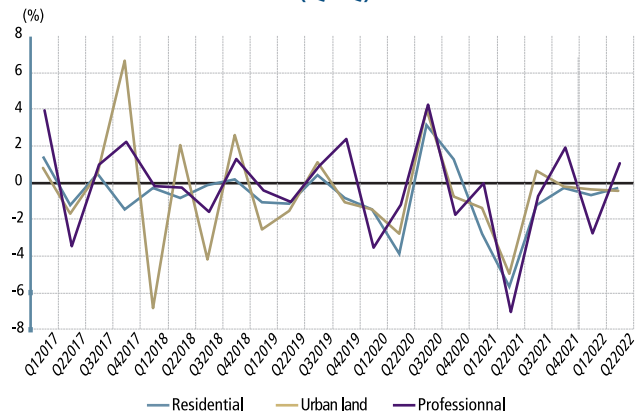
Year on year, lands prices rose by 1.8 percent, while the number of transactions fell by 37.7 percent.

Commercial Property

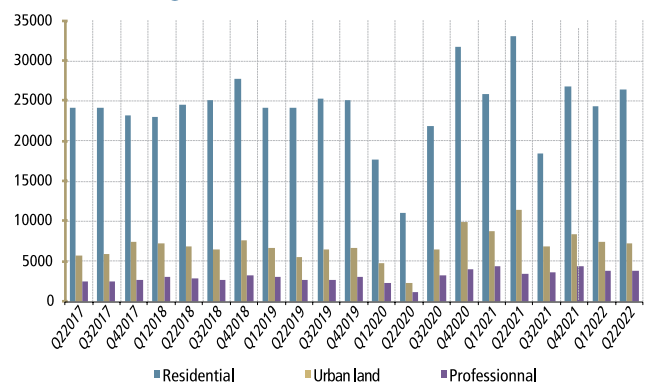
Quarter on quarter, the price index for commercial property rose by 1.1 percent, covering an 8.5 percent increase for offices and a 1.1 percent decrease for commercial premises. The number of transactions decreased by 1.9 percent, reflecting a decrease of 0.8 percent for commercial premises and 7 percent for offices.

Year on year, prices declined by 0.4 percent, with a 0.7 percent decrease in prices for commercial premises and a 1.9 percent increase for offices. Transactions increased by 7.2 percent, with commercial premises up by 6.2 percent and offices up by 12.5 percent.

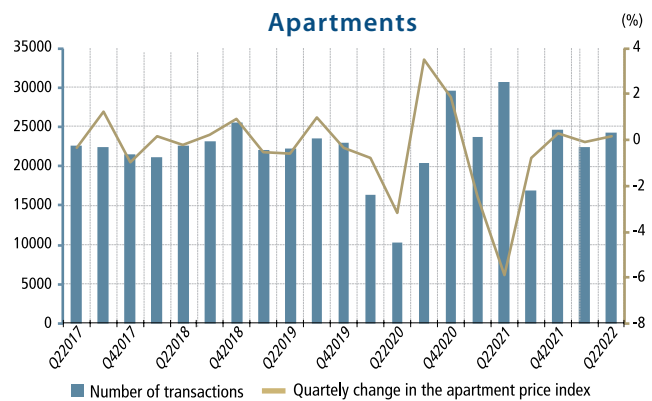
Real estate price indexes by category, (QoQ)



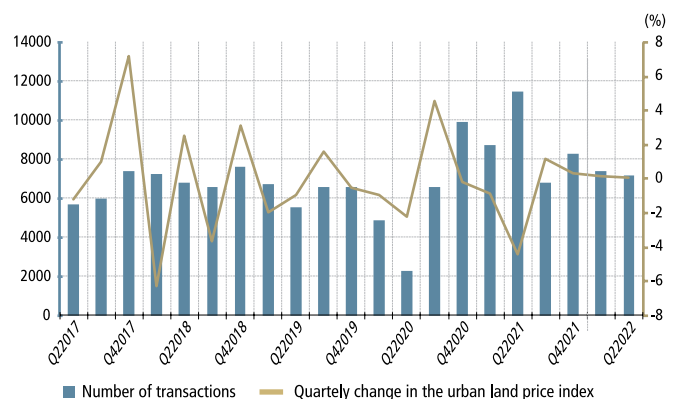
Change in the number of transactions



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



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



3. Real estate market trend by city

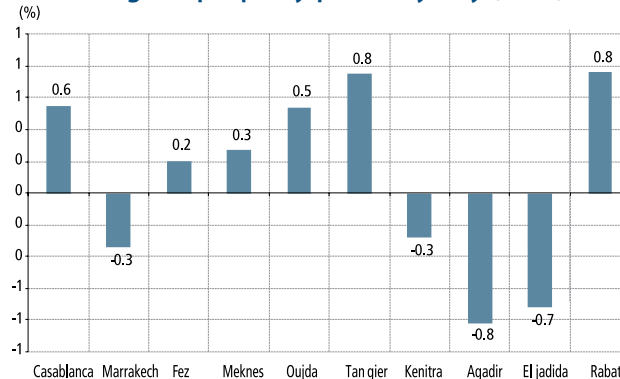
In **Casablanca**, the price index rose by 0.6 percent, as a result of the 0.1 percent increase in residential property and the 4.4 percent increase in business property. Lands prices, on the other hand, decreased by 1.2 percent. Regarding sales, they have marked an increase of 12.9 percent, reflecting increases in transactions of residential property (16.1 percent), lands (5.1 percent) and assets for professional use (0.2 percent).

In **Rabat**, prices marked a quarterly increase of 0.8 percent, covering an increase in prices of residential goods (1.2 percent) and a decrease in those of lands (0.1 percent) and those of assets for professional use (11.6 percent). Similarly, transactions increased by 4.9 percent, reflecting higher sales of residential property (7.7 percent) and lands (39.4 percent). As for the sales of properties for professional use, they declined by 46.7 percent.

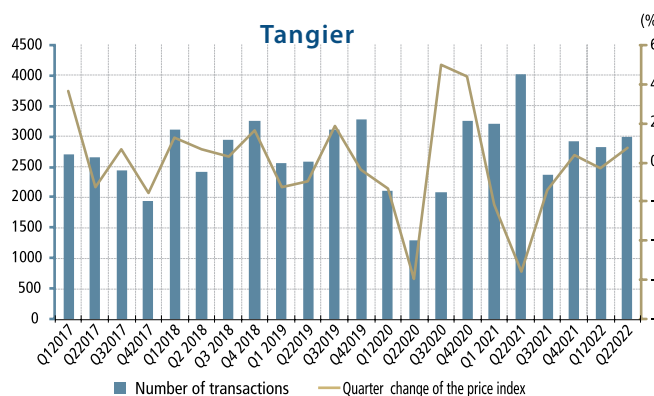
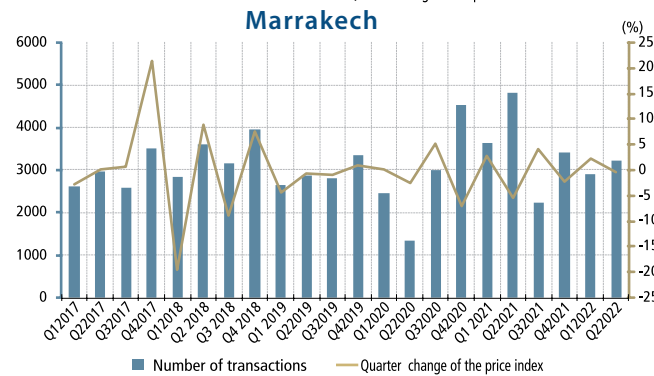
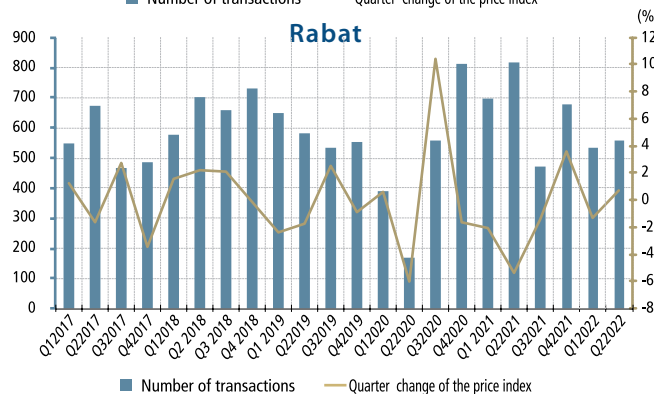
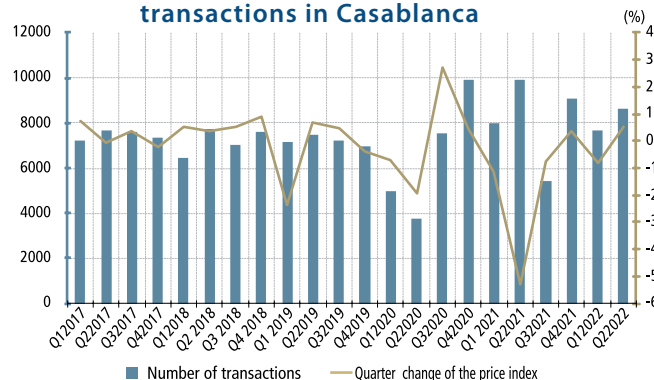
In **Marrakech**, prices fell by 0.3 percent, reflecting the 1.2 percent decline in lands prices, the stagnation of those of residential property and the 6.2 percent increase in those of assets for professional use. At the same time, transactions recorded an increase of 10.8 percent, reflecting a 14.9 percent increase in sales of residential property and 9.2 percent of those of professional use and a 4.9 percent decrease in those of lands.

In **Tangier**, the price index rose by 0.8 percent, reflecting increases of 1.4 percent for residential properties and 0.3 percent for assets for professional use and a decrease of 0.2 percent for lands. For their part, sales recorded an increase of 6.3 percent, covering increases of 7.2 percent for residential and 16.2 percent for assets for professional use and a decline of 2.4 percent for lands.

Change in property prices by city (QoQ)



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



Change in the REPI in some major cities

City	Property category	Change (%) Q2-22/ Q1-22	
		Price	Transaction
Agadir	Apartment	1.7	5.2
	House	-2.2	35.8
	Villa	4.9	-3.1
	Urban land	-4.3	-17.7
	Business premises	-4.8	-21.9
	Office	-	-
	Total	-0.8	-0.1
Casablanca	Apartment	0.0	16.9
	House	-0.9	-7.0
	Villa	4.6	6.4
	Urban land	-1.2	5.1
	Business premises	-1.9	1.7
	Office	9.1	-6.6
	Total	0.6	12.9
El Jadida	Apartment	-0.8	0.9
	House	17.4	-27.9
	Villa	7.8	36.4
	Urban land	-4.2	23.0
	Business premises	1.2	-6.9
	Office	-	-
	Total	-0.7	2.3
Fez	Apartment	0.5	5.7
	House	7.6	0.0
	Villa	3.3	-70.6
	Urban land	-0.2	-16.0
	Business premises	-2.1	-3.2
	Office	3.2	3.2
	Total	0.2	-1.9
Kenitra	Apartment	-0.7	11.6
	House	-8.1	19.7
	Villa	8.3	15.0
	Urban land	1.9	15.2
	Business premises	-6.6	-9.2
	Office	2.0	3.3
	Total	-0.3	9.5

City	Property category	Change (%) Q2-22/ Q1-22	
		Price	Transaction
Marrakech	Apartment	-0.8	14.7
	House	4.7	16.0
	Villa	-0.3	19.2
	Urban land	-1.2	-4.9
	Business premises	6.8	9.4
	Office	-17.8	7.9
	Total	-0.3	10.8
Meknes	Apartment	0.4	16.1
	House	3.4	33.3
	Villa	10.6	12.5
	Urban land	-0.6	-5.1
	Business premises	-3.0	19.3
	Office	-	-
	Total	0.3	12.1
Oujda	Apartment	1.7	-12.8
	House	-1.1	12.4
	Villa	-	-
	Urban land	1.2	-0.8
	Business premises	14.5	-20.7
	Office	-	-30.8
	Total	0.5	-2.8
Rabat	Apartment	0.7	9.4
	House	-1.0	0.0
	Villa	5.9	-2.7
	Urban land	-0.1	39.4
	Business premises	0.7	-46.2
	Office	-19.0	-50.0
	Total	0.8	4.9
Tangier	Apartment	1.3	7.5
	House	5.3	-2.6
	Villa	22.7	12.5
	Urban land	-0.2	-2.4
	Business premises	1.0	34.3
	Office	-8.2	-37.8
	Total	0.8	6.3

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.