

1. Overall trend in the real-estate market in the second quarter of 2023

In the second quarter of 2023, the real estate price index (REPI) recorded a slight quarterly decline of 0.3 percent, reflecting decreases by 0.5 percent and 0.4 percent in the prices of residential property and property for professional use respectively, and a 0.3 percent rise in urban land prices. Concomitantly, the number of transactions dropped by 12 percent, covering a dip by 10.3 percent in residential property, 15.7 percent in urban lands and 16.9 percent in property for professional use.

Year-on-year, the REPI recorded a near-stagnation in Q2-2023, encompassing increases in land prices (0.9 percent), as well as in the prices of property intended for professional use (2.1 percent), and a fall in residential property prices (0.5 percent). As for the number of transactions, they fell by 4.9 percent, with decreases by 4.7 percent for residential property, 6.9 percent in urban land and 3.2 percent in property for professional use.

REPI	Change (%)	
	Q2-23/ Q1-23	Q2-23/ Q2-22
Total	-0,3 ↓	0,1 ↑
Residential	-0,5 ↓	-0,5 ↓
Apartment	-0,5 ↓	-0,4 ↓
House	0,0 ■	0,7 ↑
Villa	-1,5 ↓	-5,7 ↓
Urban land	0,3 ↑	0,9 ↑
Professional	-0,4 ↓	2,1 ↑
Business premises	-0,3 ↓	2,4 ↑
Offices	0,5 ↑	0,6 ↑

Number of transactions	Change (%)	
	Q2-23/ Q1-23	Q2-23/ Q2-22
Total	-12,0 ↓	-4,9 ↓
Residential	-10,3 ↓	-4,7 ↓
Apartment	-10,5 ↓	-4,8 ↓
House	-4,4 ↓	-5,9 ↓
Villa	-12,7 ↓	7,9 ↑
Urban land	-15,7 ↓	-6,9 ↓
Professional	-16,9 ↓	-3,2 ↓
Business premises	-18,8 ↓	-7,5 ↓
Offices	-7,2 ↓	21,0 ↑

2. Overall trend by asset class

Residential

Quarter-on-quarter, residential prices dropped by 0.5 percent, in line with decreases by 0.5 percent and 1.5 percent in apartments and in villas' prices, respectively. By contrast, house prices remained stagnant. Concurrently, transactions contracted by 10.3 percent, covering decreases by 10.5 percent for apartments, 4.4 percent for houses and 12.7 percent for villas.

Year-on-year, residential prices receded by 0.5 percent, as apartment and villa prices fell by 0.4 percent and 5.7 percent respectively, while house prices rose by 0.7 percent. As regards transactions, their number declined by 4.7 percent, reflecting decreases by 4.8 percent for apartments and 5.9 percent for houses, and a 7.9 percent increase for villas.

Urban land

Quarter-on-quarter, urban land prices posted an increase by 0.3 percent, while the number of transactions fell by 15.7 percent.

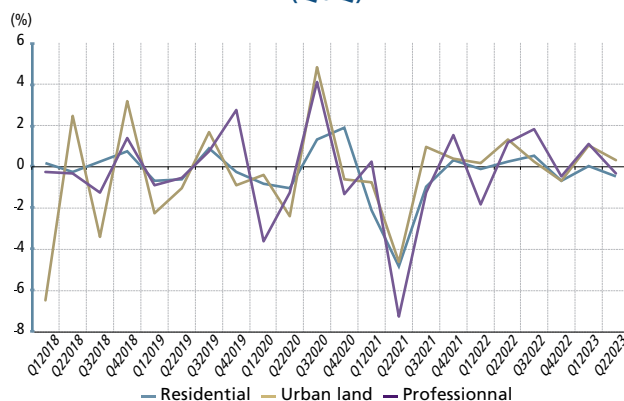
Year-on-year, urban land prices appreciated by 0.9 percent, whereas the number of transactions fell by 6.9 percent.

Professional

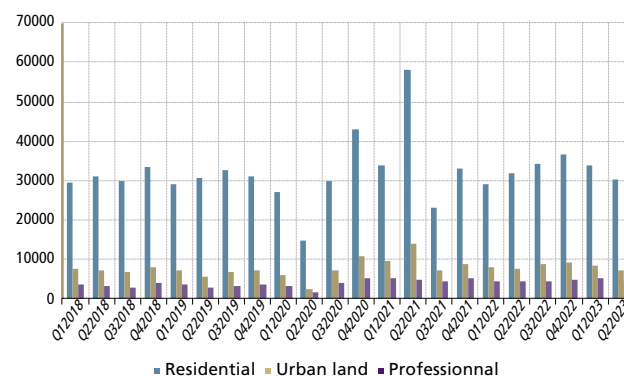
Quarter-on-quarter, the price index regarding property for professional use posted a decline by 0.4 percent, encompassing a 0.3 percent decrease in commercial premises and a 0.5 percent increase in offices. As for the number of transactions, it fell by 16.9 percent, covering a dip by 18.8 percent for commercial premises and 7.2 percent for offices.

Year-on-year, prices rose by 2.1 percent, with increases by 2.4 percent for commercial premises and 0.6 percent for offices. Conversely, transactions posted a 3.2 percent decline, reflecting a 7.5 percent dip in sales of commercial premises and a 21 percent upsurge in office sales.

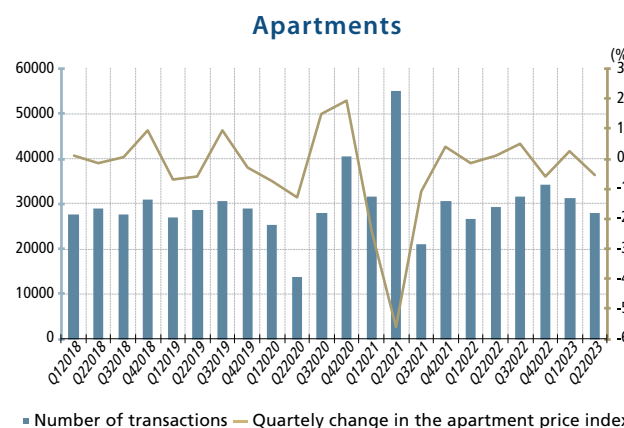
Real estate price indexes by category, (QoQ)



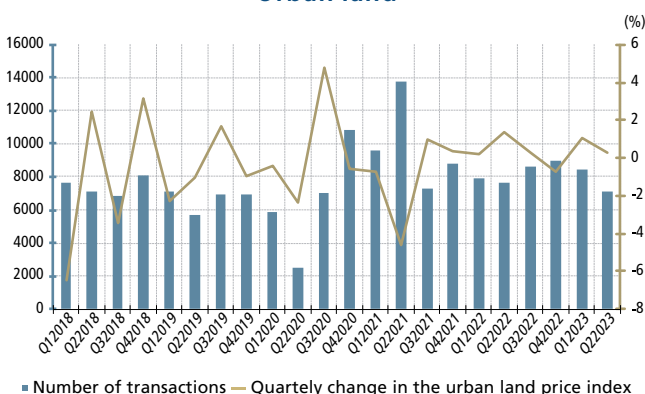
Change in the number of transactions



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



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



3. Real estate market trends by city

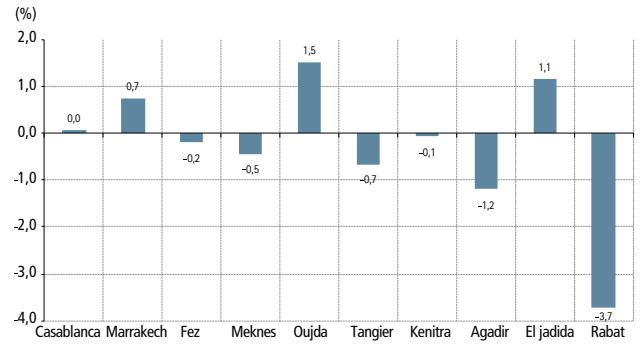
In Rabat, prices contracted by 3.7 percent, in line with declines by 3.5 percent in residential property prices and 9.8 percent in urban land prices. By contrast, prices of assets for professional use rose by 0.6 percent. As regards transactions, they registered a rise by 8.3 percent this quarter, covering an 11.2 percent uplift in residential properties and dips by 21.1 percent in urban land and 2 percent in assets for professional use.

In Casablanca, prices remained stagnant quarter-on-quarter, reflecting, on the one hand, a decline by 0.7 percent in residential property; and, on the other hand, increases by 4.7 percent and 1.7 percent in urban land and assets for professional use, respectively. In parallel, sales contracted by 13.1 percent, reflecting drops by 14 percent in residential properties, 19.7 percent in urban land and 4.3 percent in assets for professional use.

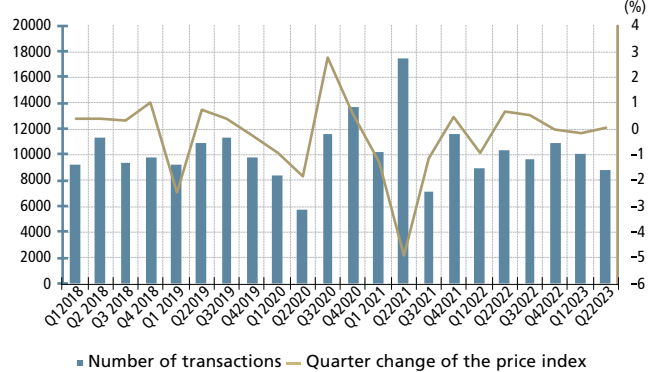
In Marrakech, prices edged up by 0.7 percent, reflecting increases by 0.6 percent in residential property, 0.5 percent in urban land and 1.2 percent in assets for professional use. Concurrently, transactions recorded an increase by 5.4 percent, in line with the 11.5 percent upswing in residential property sales. By contrast, sales of urban land and property for professional use were down by 0.8 percent and 21.9 percent respectively.

In Tangier, the price index contracted by 0.7 percent, following falls by 0.6 percent in residential property prices and 2.2 percent in urban land prices. Conversely, prices of assets for professional use rose by 3.6 percent. Sales, however, plummeted by 15.9 percent, covering decreases by 14 percent for residential properties, 26.9 percent for urban land, as well as 8.8 percent in properties for professional use.

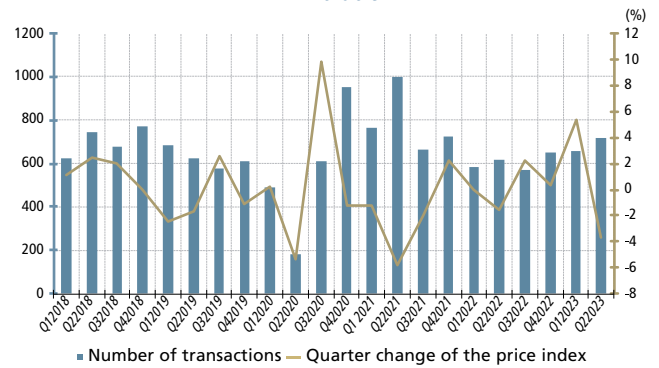
Change in property prices by city (QoQ)



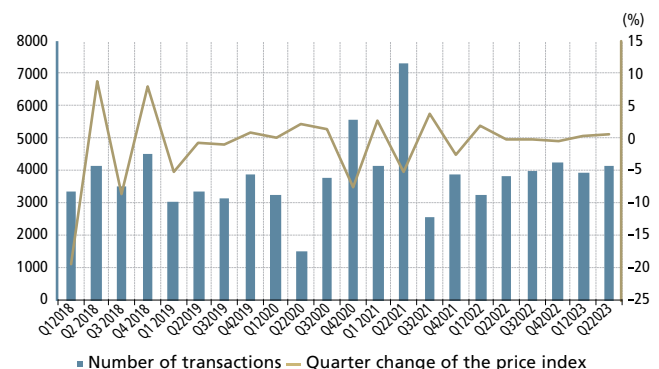
Change in property prices (QoQ, in %) and transactions in Casablanca



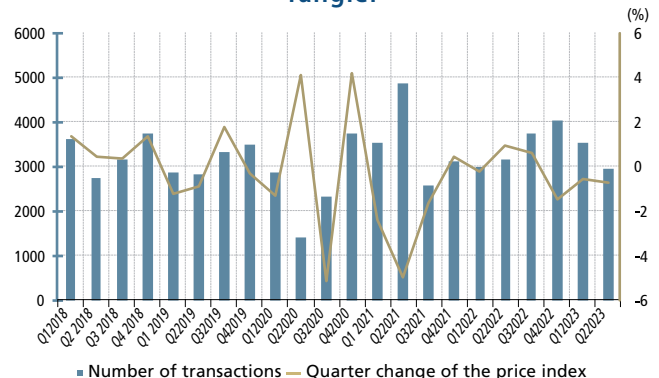
Rabat



Marrakech



Tangier



Change in the REPI in some major cities

City	Property category	Change (%) Q2-23/ Q1-23		City	Property category	Change (%) Q2-23/ Q1-23	
		Price	Transaction			Price	Transaction
Agadir	Apartment	-2,2	-0,7	Marrakech	Apartment	-0,8	0,0
	House	3,5	15,1		House	2,8	1,0
	Villa	1,2	-10,3		Villa	5,0	0,0
	Urban land	-0,5	-32,0		Urban land	0,5	0,0
	Business premises	1,3	-11,4		Business premises	1,4	0,0
	Office	30,3	-23,6		Office	-8,2	-4,0
	Total	-1,2	-6,4		Total	0,7	0,0
Casablanca	Apartment	-0,7	-14,7	Meknes	Apartment	-1,0	0,0
	House	0,9	13,0		House	1,8	0,0
	Villa	-4,4	-10,9		Villa	-22,2	-7,0
	Urban land	4,7	-19,7		Urban land	-1,2	0,0
	Business premises	0,8	-12,5		Business premises	3,2	-21,1
	Office	0,2	29,7		Office	30,3	-10,0
	Total	0,0	-13,1		Total	-0,5	-23,7
El Jadida	Apartment	0,0	-22,8	Oujda	Apartment	1,2	-18,2
	House	1,9	-11,4		House	1,7	-12,7
	Villa	25,5	-28,6		Villa	-	-
	Urban land	3,3	-16,2		Urban land	2,5	-7,9
	Business premises	-9,1	35,9		Business premises	7,5	4,8
	Office	-	-		Office	-	-
	Total	1,1	-18,8		Total	1,5	-11,3
Fez	Apartment	-1,0	-16,1	Rabat	Apartment	-4,2	9,5
	House	-13,8	-66,7		House	-3,4	78,3
	Villa	-3,4	66,7		Villa	-0,3	-4,9
	Urban land	1,6	-10,1		Urban land	-9,8	-21,1
	Business premises	2,0	-30,0		Business premises	-0,6	-17,4
	Office	1,0	10,2		Office	-	-
	Total	-0,2	-16,5		Total	-3,7	8,3
Kenitra	Apartment	0,5	-21,5	Tangier	Apartment	-0,2	-1
	House	4,4	-20,0		House	-0,3	-
	Villa	-9,9	-24,0		Villa	-23,1	-15,8
	Urban land	1,3	-38,6		Urban land	-2,2	-
	Business premises	-1,8	-36,8		Business premises	1,5	-
	Office	-5,6	-31,0		Office	8,9	-3,
	Total	-0,1	-25,9		Total	-0,7	-15,9

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.