

A photograph of a modern, multi-story building with a distinctive facade of blue and white geometric panels. The building has a curved, stepped design. In the foreground, there is a paved plaza with several people walking and sitting. A tall, thin white pole stands in the center. The sky is blue with some clouds.

# Construction and Real Estate Developments in Morocco

*Presentation by  
MEYS Emerging Markets Research*



# Profile Construction & Real Estate sector Morocco

- Construction & Public Works (excluding Real Estate) is 6.1% of GDP (2018)
- Total Value Added of Construction & Public Works (excluding Real Estate) is 59.7 billion dirhams (2018)
- Approximately 60.000 companies (formal)
- 90% are SMEs (turnover < 75 million dirham)
- With a turnover of 4.1 billion dirhams (2018) conglomerate Addoha is the largest Moroccan real estate company in Morocco
- The largest Moroccan construction company is SGTm with a turnover of 2.8 billion dirhams (2018)

## Total market size Moroccan Real Estate & Contruction sector is estimated by MEYS at 206 billion dirhams (19 billion euros)

Sub-sector	Market size 2017
Steel and Aluminium construction works	8 billion dirhams
Steel and Aluminium production	24 billion dirhams
Production building materials (cement, concrete, bricks, ceramics, marble)	38 billion dirhams
Real estate developers and construction companies (incl. infrastructure):	
Private	84 billion dirhams
Public	17 billion dirhams
Market size <i>formal</i>	171 billion dirhams
Market size <i>informal</i>	35 billion dirhams
<b>Total market size</b>	<b>206 billion dirhams</b>

Source: HCP, Ministry of Finance, Maroc1000.net, annual reports, business associations

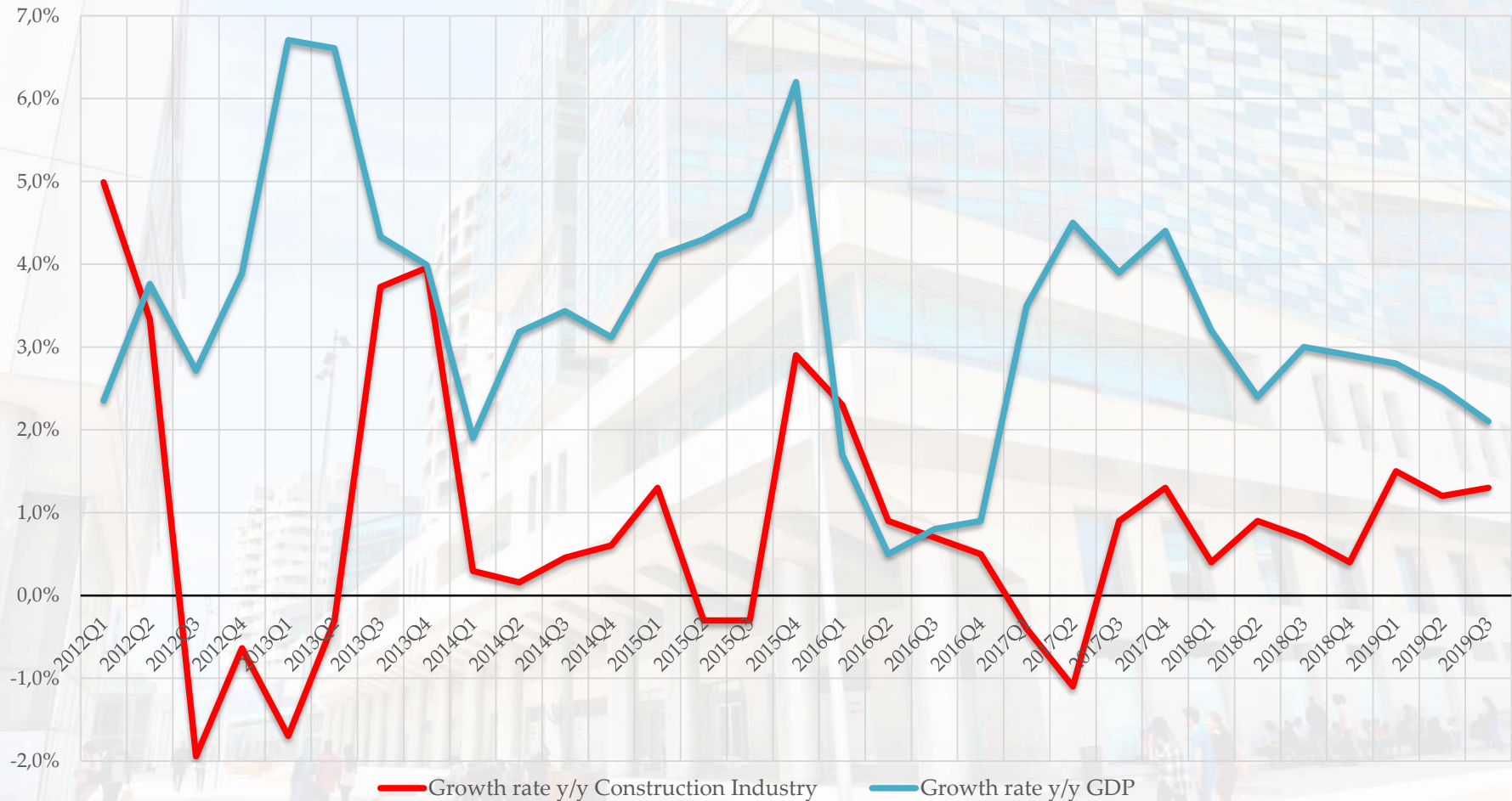
# Total employment in Construction is around one million people (10% of total formal employment)



*Note: (\*) informal sector provides over 210,000 jobs*  
*Source: Ministry of Housing and Urban Planning*



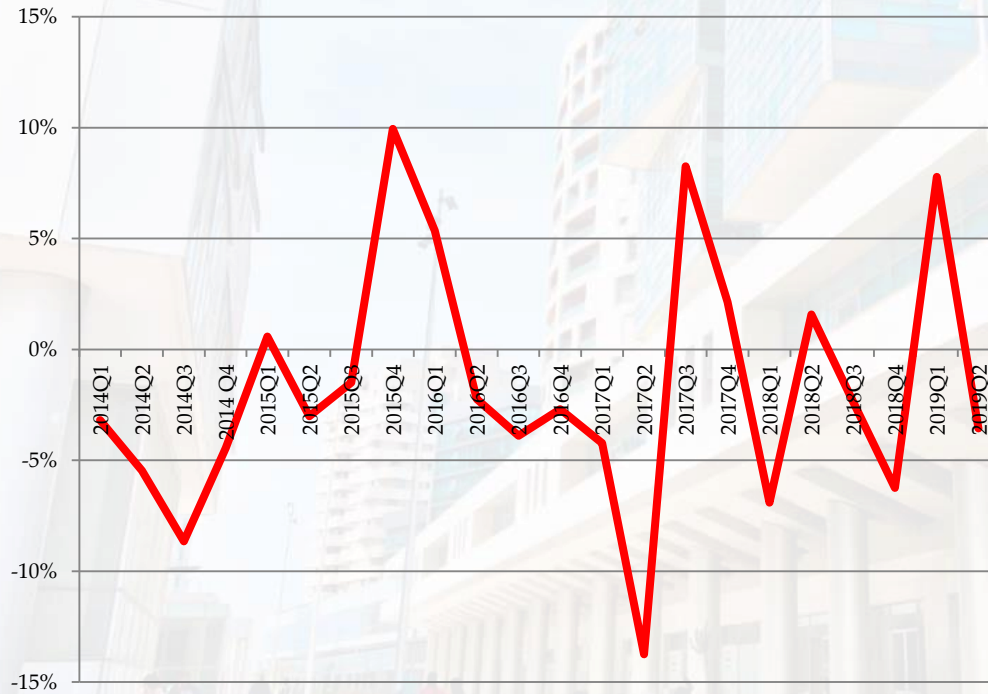
# Growth rate construction industry lagging behind national economy since 2012



# Low growth rate cement consumption in 2018

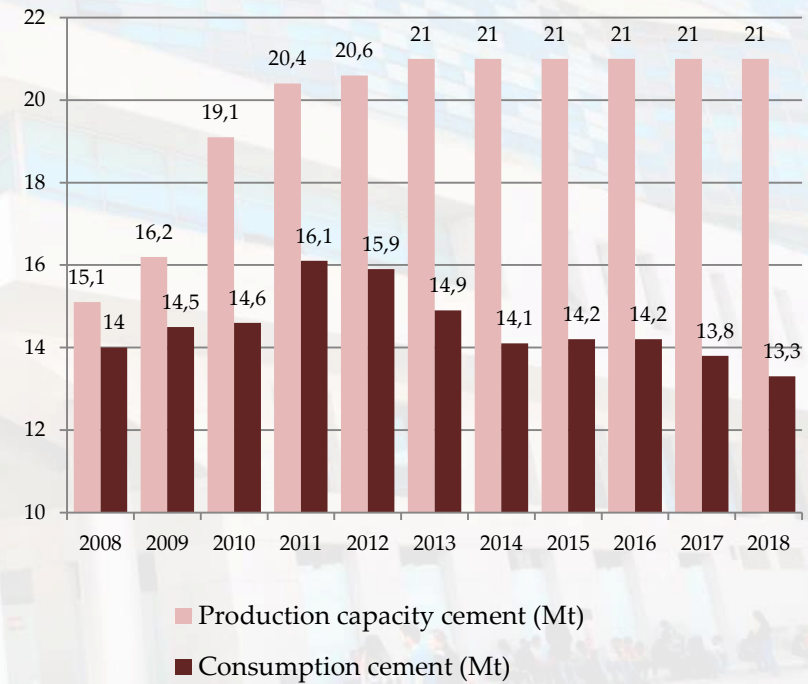
*Total cement consumption in 2018 at the lowest level in ten years*

Annual growth rate local cement consumption (%)



Source: APC, Ministry of Housing and Urban Planning; compiled by MEYS

Cement market Morocco

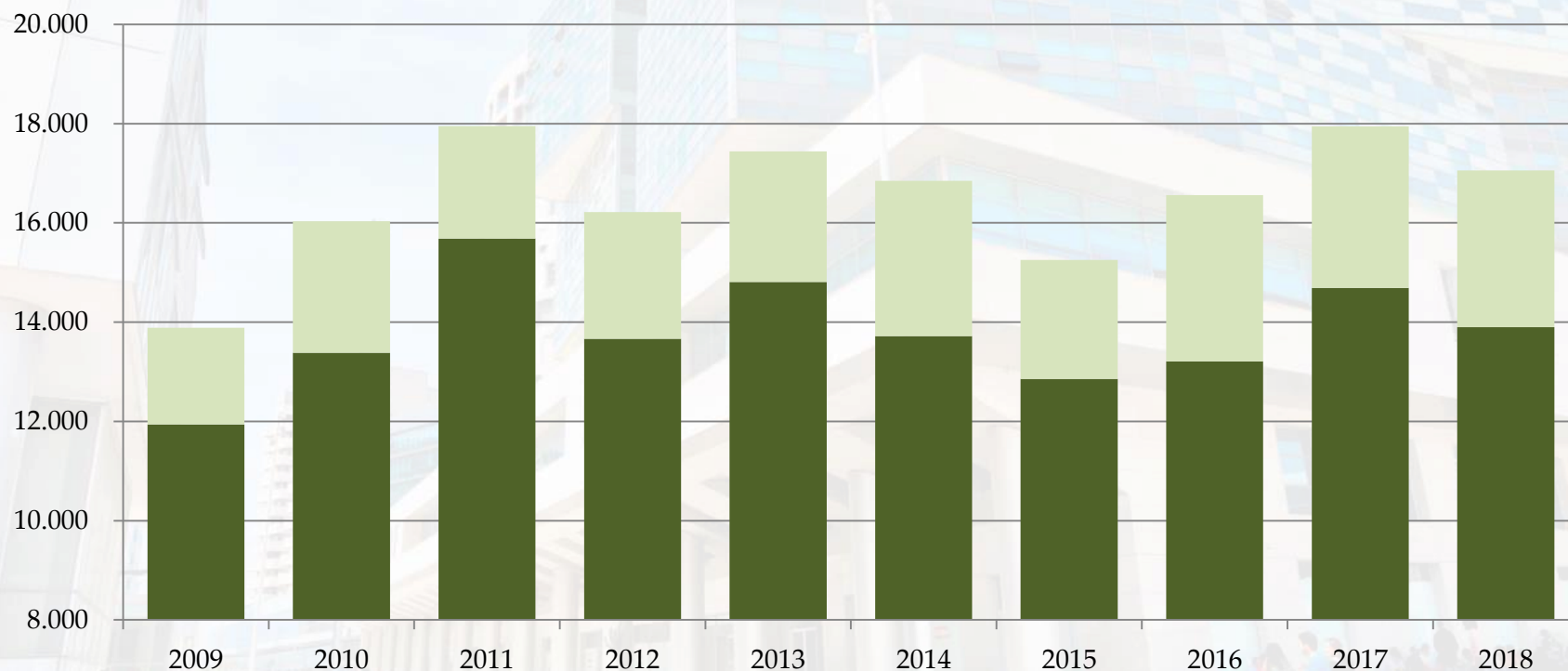


Source: APC, BMCE Capital

# Lower volumes authorized constructed floor space in 2018

*On average 80% is for construction of residential property*

**Constructed floor space\***  
(1,000 m<sup>2</sup>)



Note: (\*) authorized construction projects

Source: HCP Maroc

■ Residential ■ Other



# Size of the current Moroccan housing market

*7.1 million housing units occupied, of which 65% in urban areas*

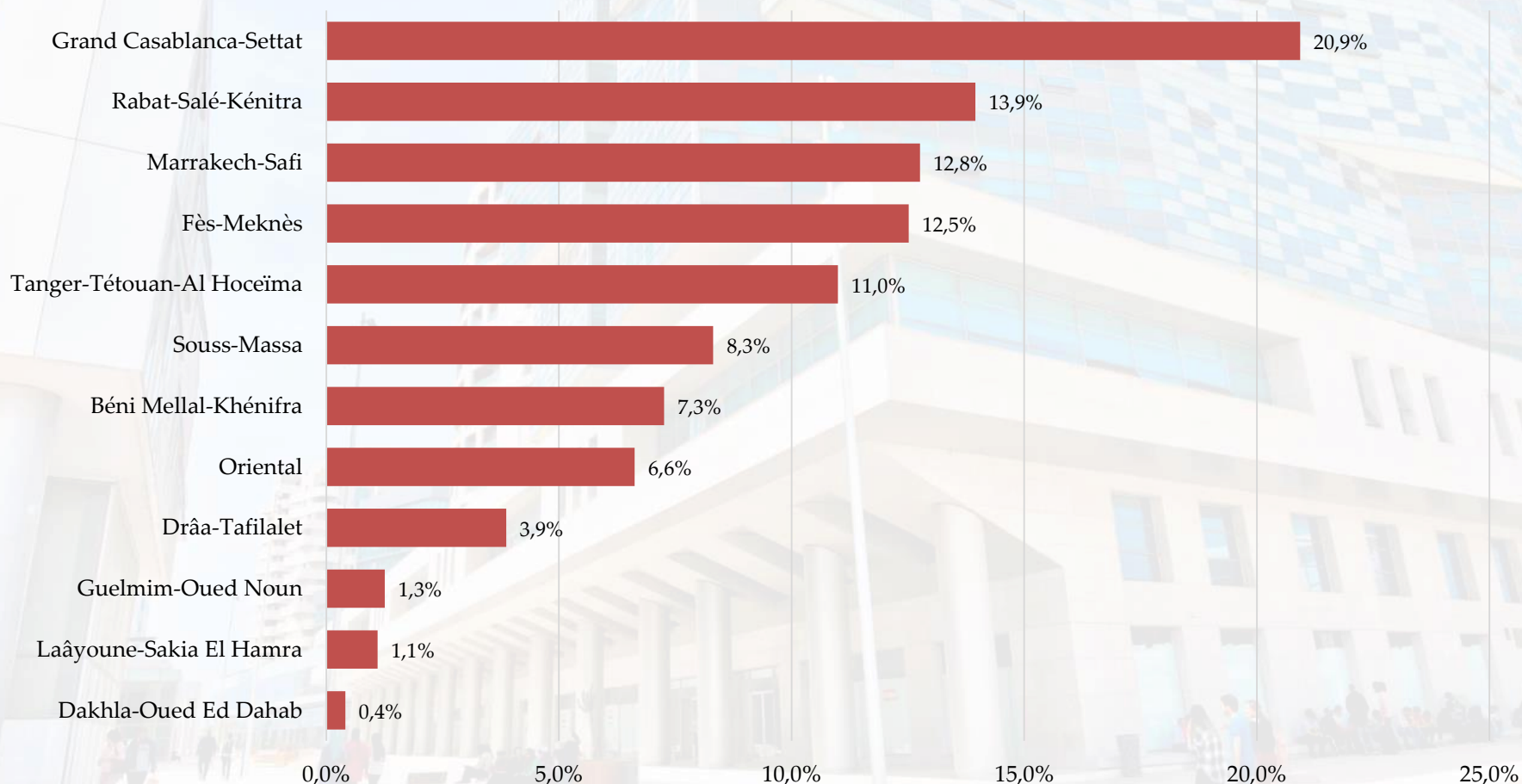
	Urban	%	Rural	%	Total	%
<b>Housing units occupied</b>	4 627 110	74,8	2 444 008	91,3	7 071 118	79,8
<b>Housing units vacant</b>	986 441	15,9	100 705	3,8	1 087 146	12,3
<b>Housing units seasonal occupied</b>	574 833	9,3	131 288	4,9	706 121	8,0
<b><i>Total housing units</i></b>	<b>6 188 384</b>	<b>69,8</b>	<b>2 676 001</b>	<b>30,2</b>	<b>8 864 385</b>	<b>100</b>

Source: HCP Maroc



# Largest number of housing units occupied in Morocco's four main cities Casablanca, Rabat, Marrakech, and Fes

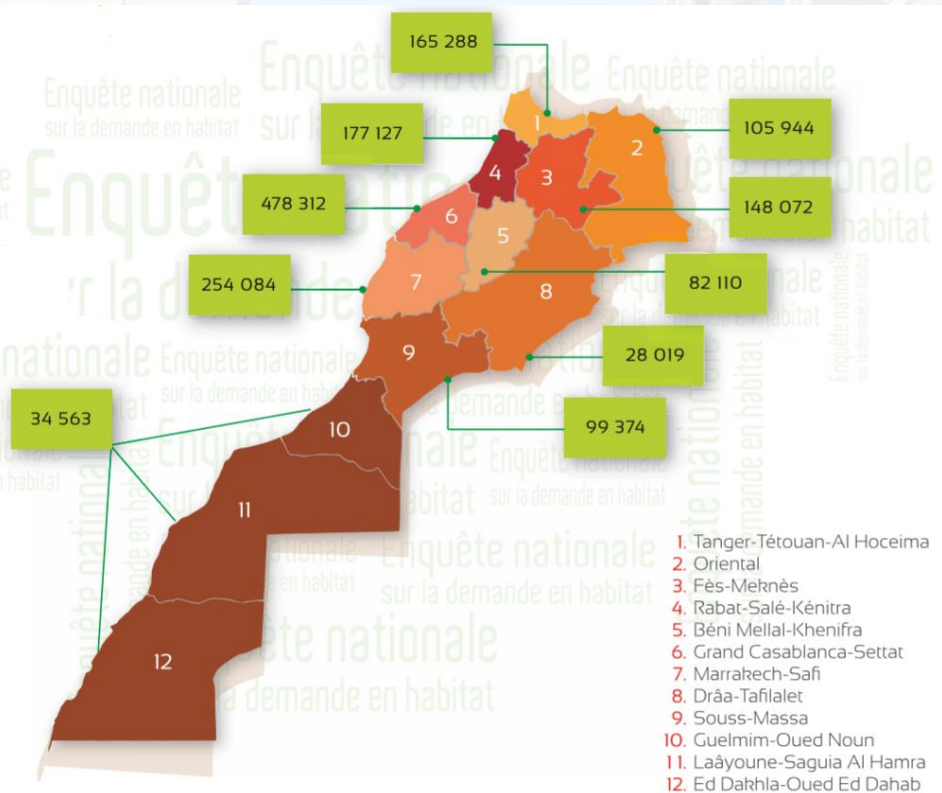
Number of current housing units occupied per region (% of total)



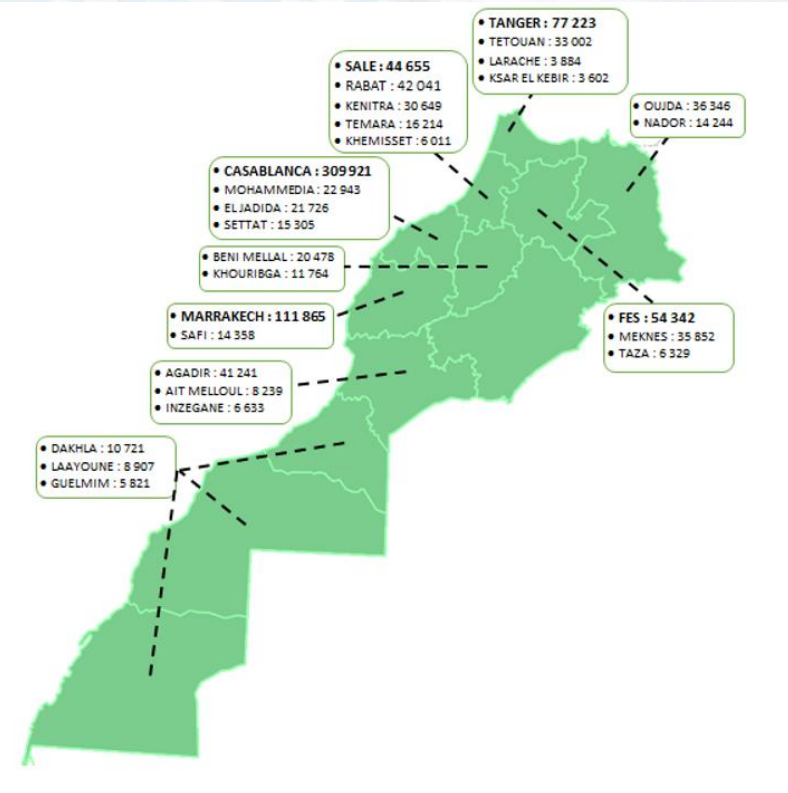
# Total demand for housing is estimated at 1.6 million units

*1.4 million in urban areas, 0.2 million units in rural areas*

## Regional



## Main cities



Source: Ministry of Housing and Urban Planning

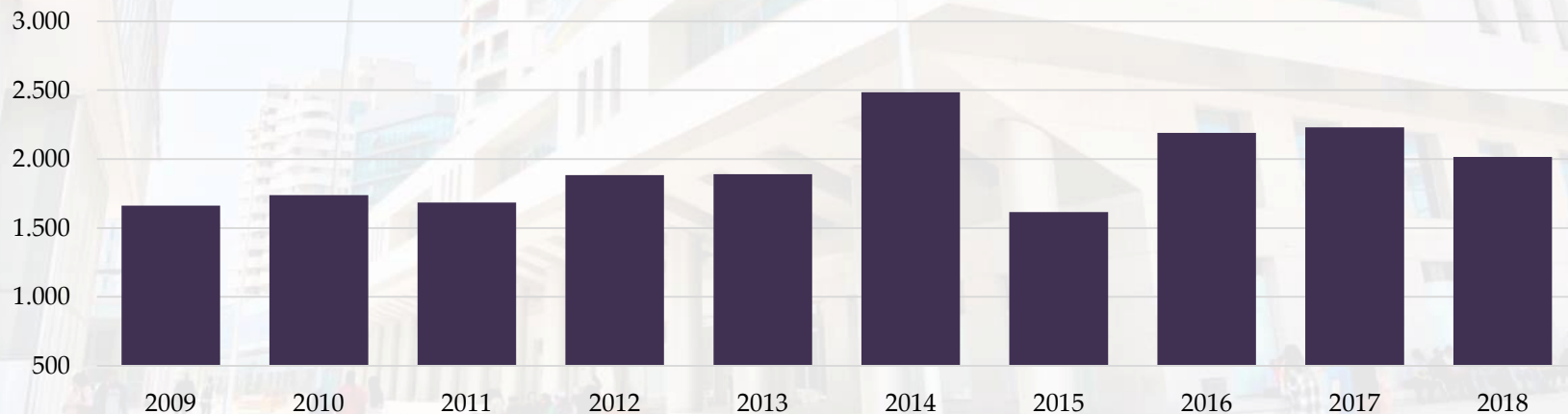


# Market size commercial real estate in Morocco

*Grand Casablanca is dominating the national market of real estate property*

- Total authorized constructed floor space commercial real estate in 2018 about 2 million m2
- Since 2009 annual average constructed floor space real estate is between 1.6 – 2.2 million m2, with the exception of 2014
- Grand Casablanca largest real estate market with a share of 15% in national volume
- Total (expected) value of authorized construction projects commercial real estate in 2018 is 5.3 billion dirhams (approx. 486 million euros)

**Constructed floor space commercial property Morocco\* (1,000 m2)**



Note: (\*) authorized construction projects

Source: HCP Maroc

# Strong increase in hotel capacity in Morocco

*Objective Government is +200,000 hotel beds during period 2010 - 2020*

**Number of hotel beds in Morocco**



*Note: Objective of 'Vision 2020'*

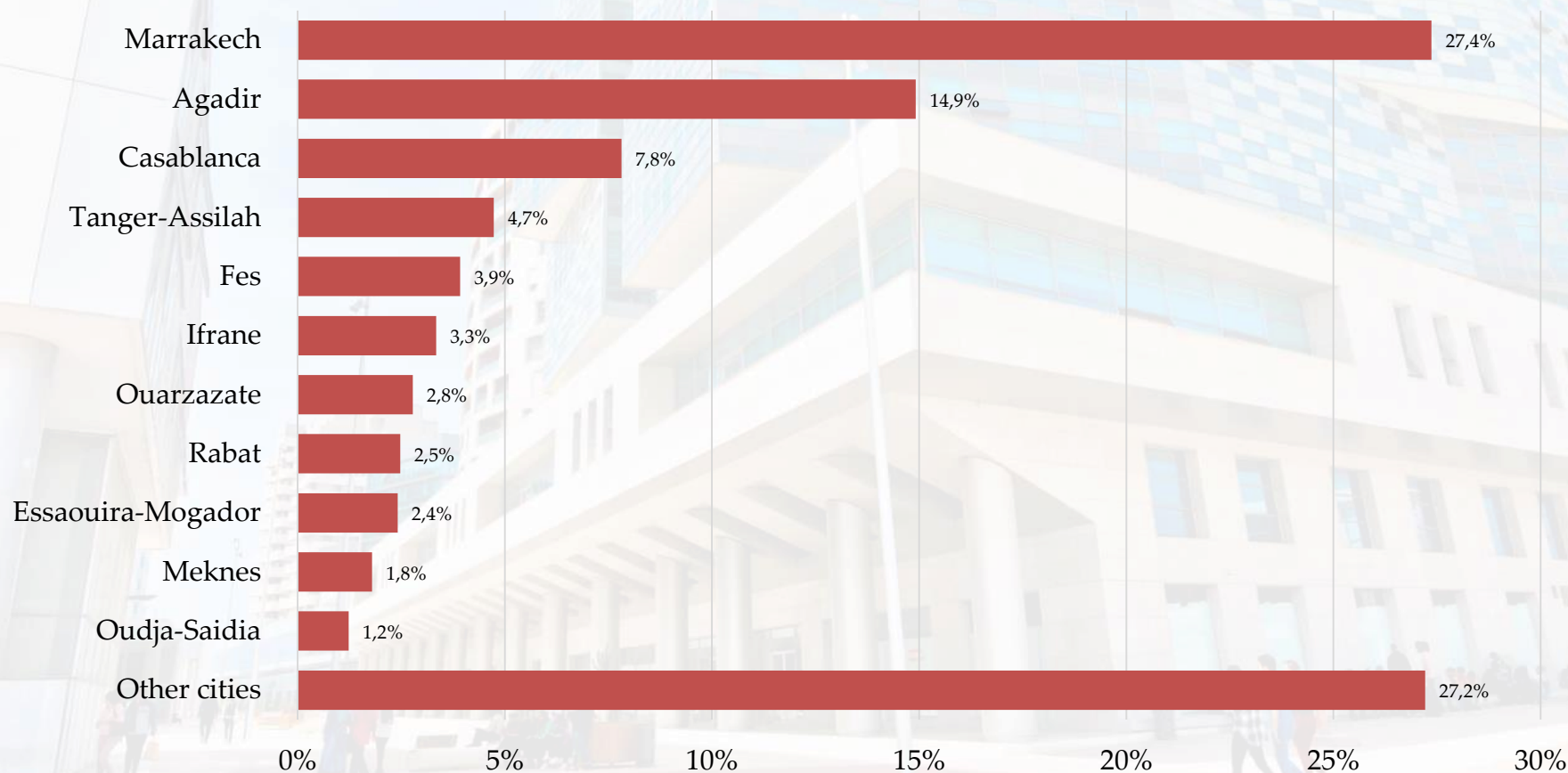
*Source: Ministry of Tourism*



# Marrakech main destination for hotel construction

*Almost 30% of hotel beds can be found in Marrakech*

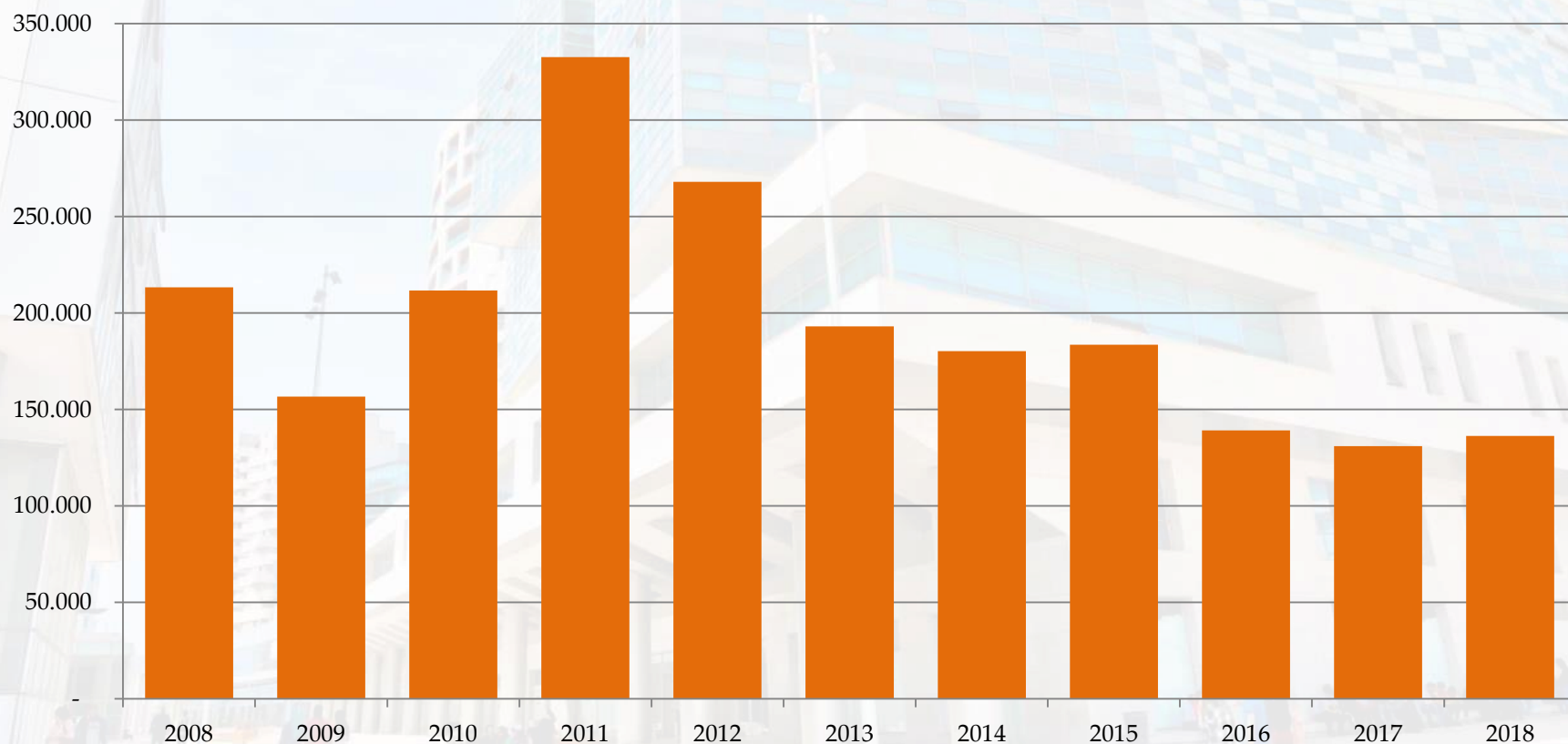
**Hotel beds by main Moroccan cities, 2018 (% in total hotel beds)**



# Lower volume new social housing projects

*Between 2018 – 2022 Government objective to build 800,000 new social housing units, mainly apartments*

**Total number started newly built social housing units (lots, apartments)**



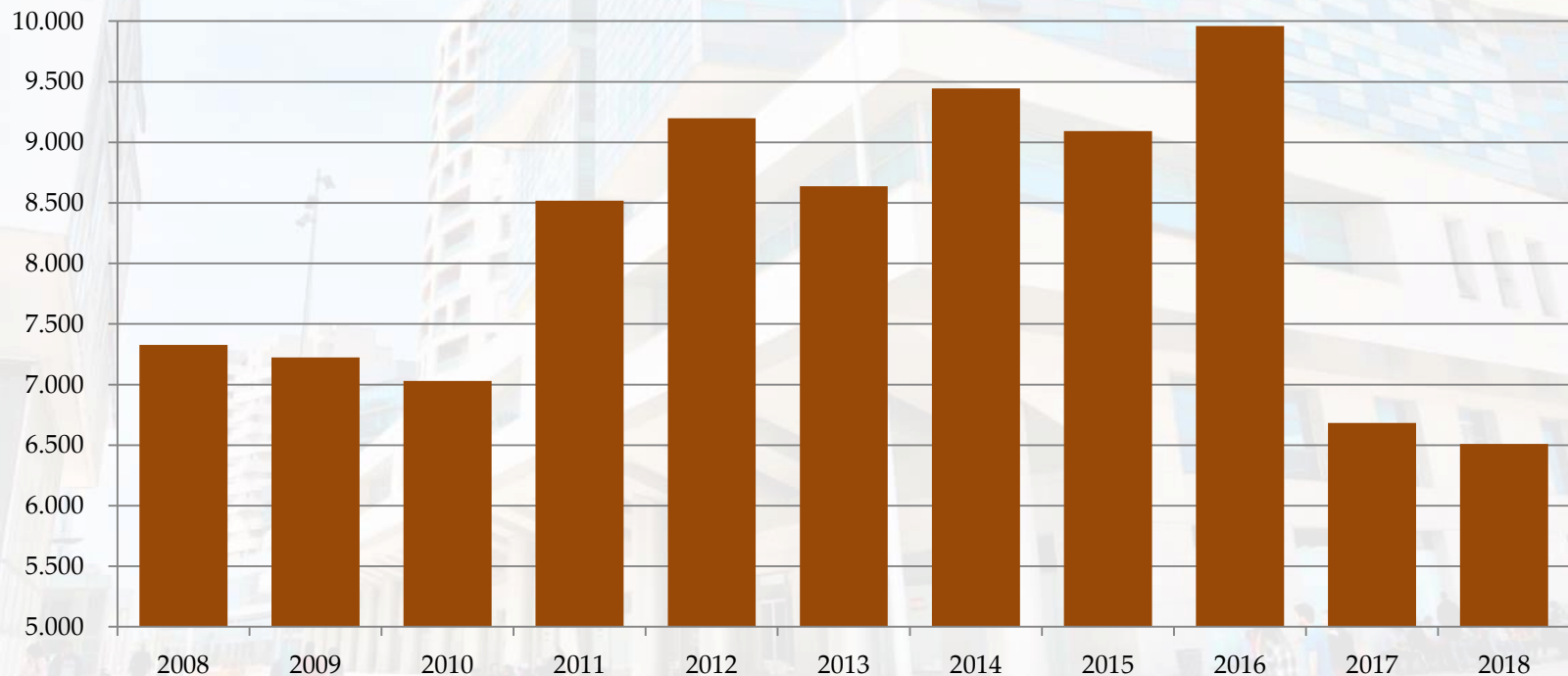
Source: Ministry of Housing and Urban Planning



# Lower fiscal stimulus by central government in real estate

*Social housing programs important beneficiary public investment funds*

**Government fiscal expenditures in real estate activities\***  
(million dirham)

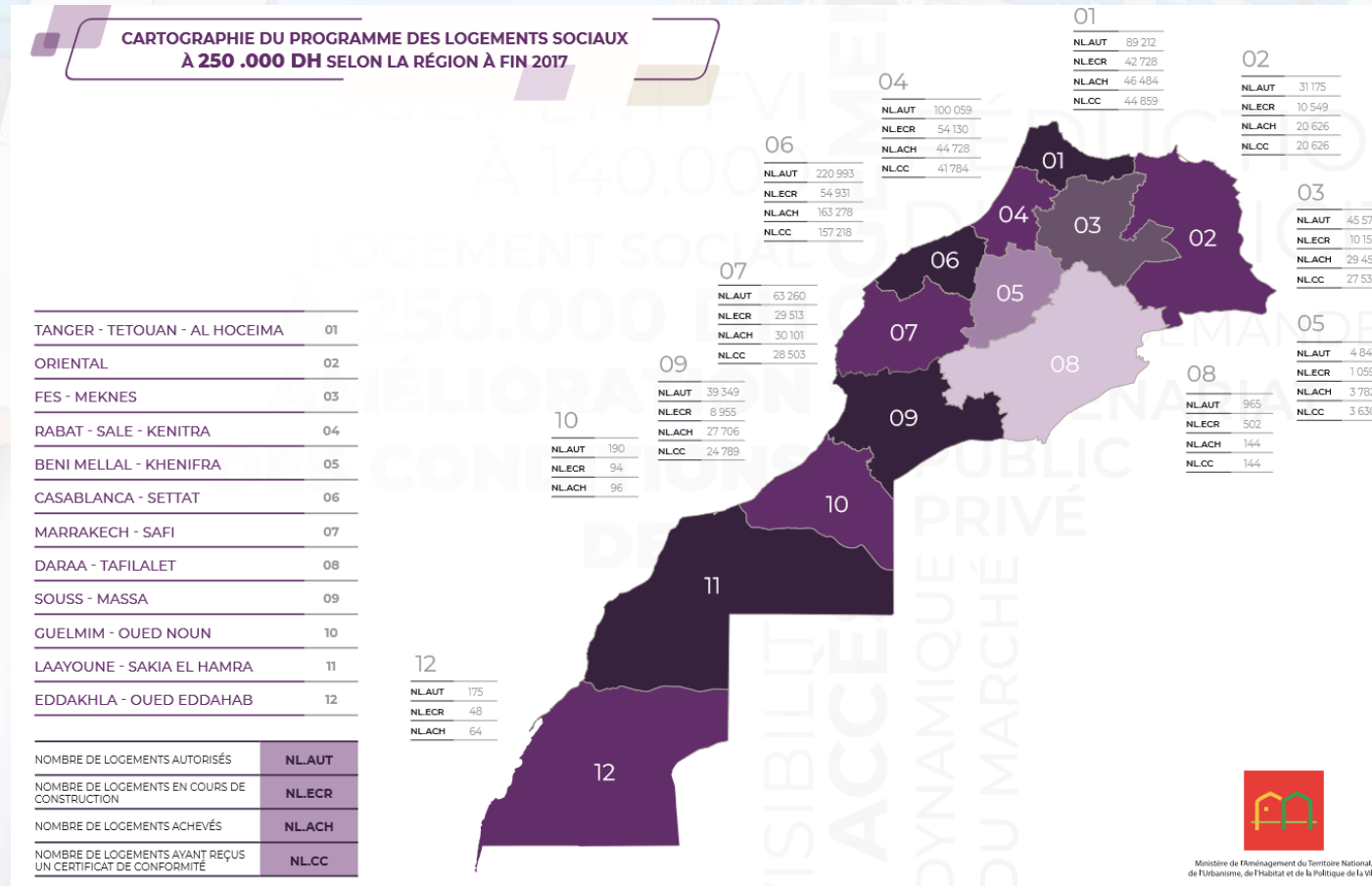


Note: (\*) include investments in public real estate companies and tax advantages for social housing programs

Source: Ministry of Finance; compiled by MEYS

Two types of **social housing programs** initiated since 2008 as part of reducing the national housing deficit:

- 250,000 dirham social housing program; objective to build 300,000 houses between 2010 - 2020
- 140,000 dirham social housing program; primarily aimed at reducing the number of 'bidonvilles' or city slums in Morocco; objective to build 130,000 houses between 2008 - 2020



Main results '250,000 dirham program' by the end of 2017:

- 595,794 housing units received authorisation for construction
- 221,660 housing units are still under construction
- 366,462 housing units have been completed
- 70% of the realised construction projects are in three regions Casablanca (45%), Tanger (13%), Rabat (12%)
- 96% developed by private sector



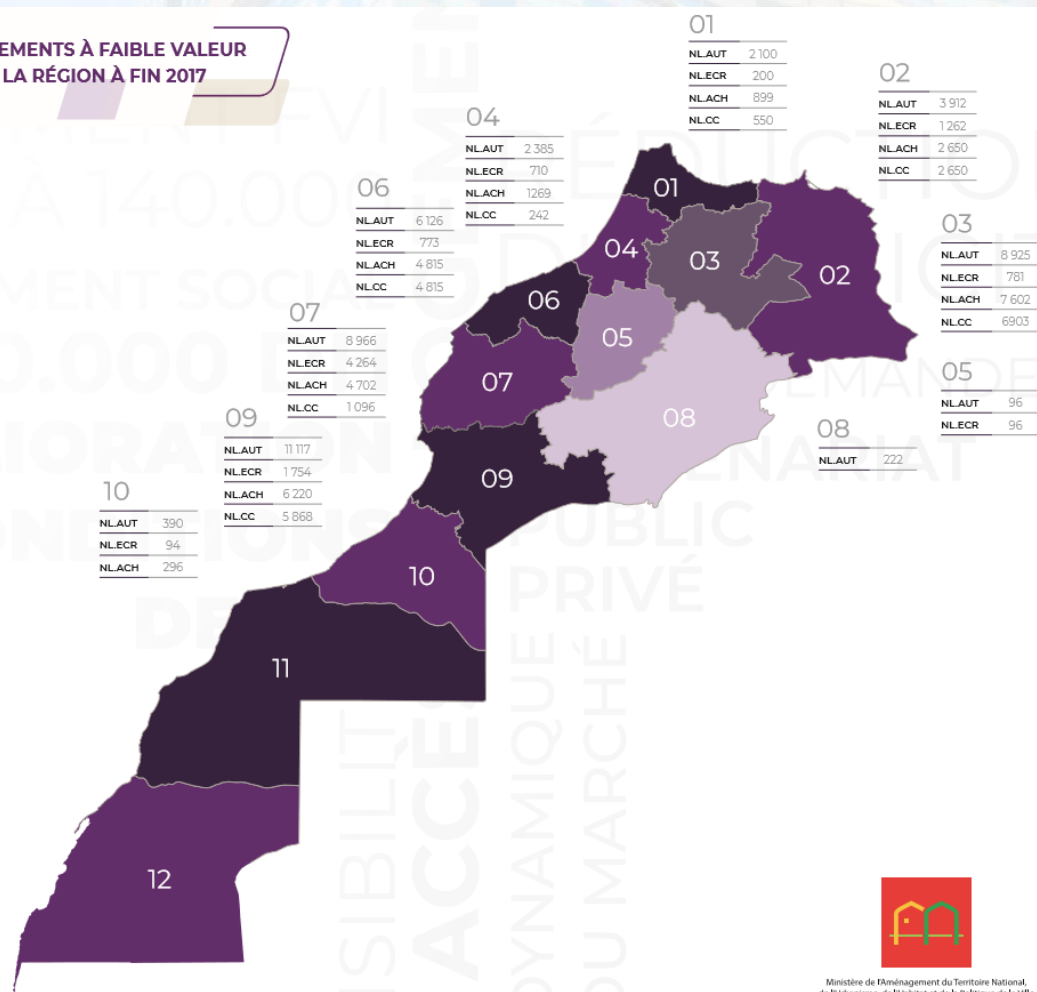
## Main results '140,000 dirham housing program' by end 2017:

- 44,239 housing units received authorisation for construction
- 9,838 housing units are still under construction
- 28,549 housing units have been completed
- 91% of the realised housing projects are in the five regions Fes/Meknes (27%), Souss Massa (22%), Casablanca (17%), Marrakech (16%), Oriental (9%)
- 60% developed by private sector

### CARTOGRAPHIE DU PROGRAMME DES LOGEMENTS À FAIBLE VALEUR IMMOBILIÈRE DE 140.000 DH SELON LA RÉGION À FIN 2017

TANGER - TETOUAN - AL HOCEIMA	01
ORIENTAL	02
FES - MEKNES	03
RABAT - SALE - KENITRA	04
BENI MELLAL - KHENIFRA	05
CASABLANCA - SETTAT	06
MARRAKECH - SAFI	07
DARAA - TAFILALET	08
SOUSS - MASSA	09
GUELMIM - OUED NOUN	10
LAAYOUNE - SAKIA EL HAMRA	11
EDDAKHLA - OUED EDDAHAB	12

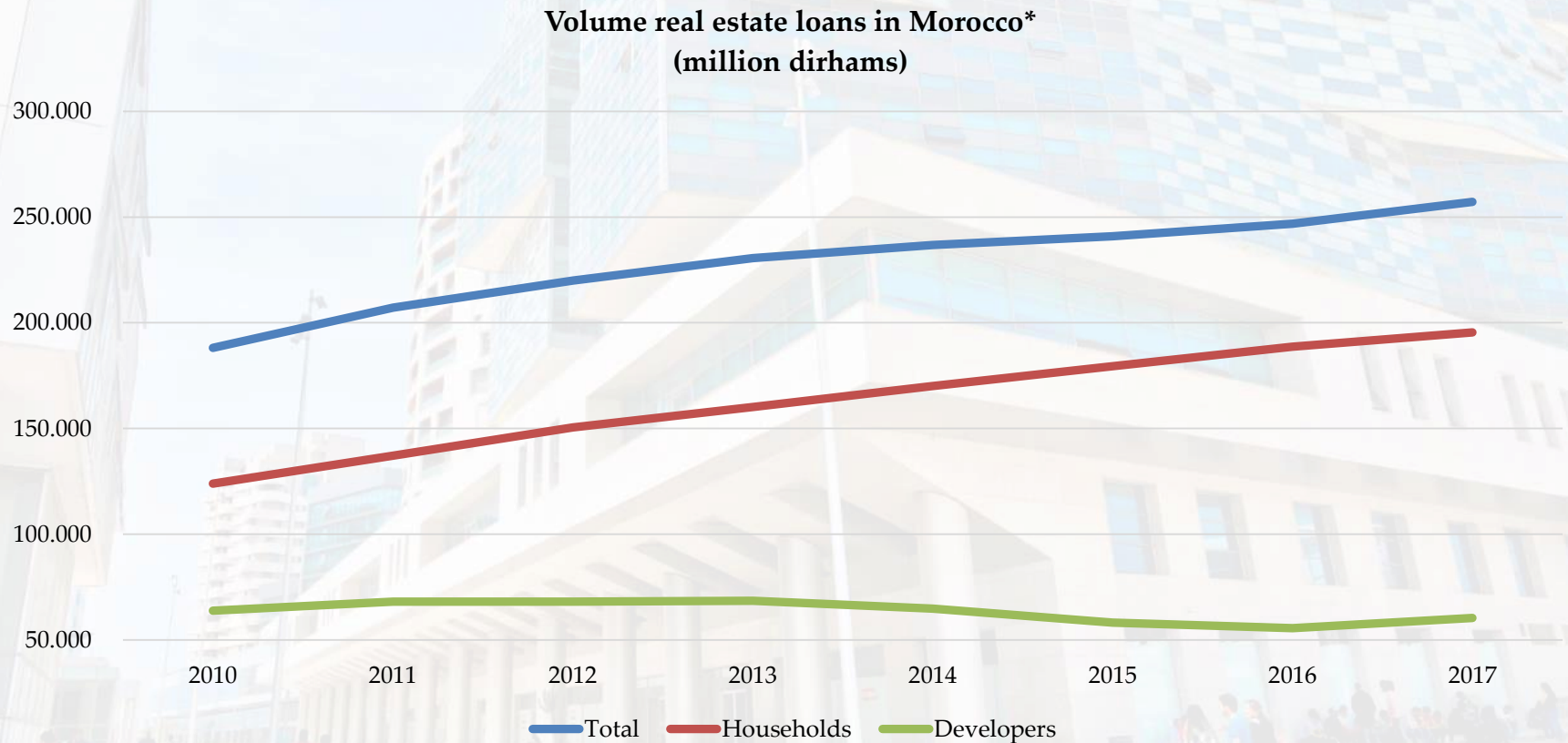
NOMBRE DE LOGEMENTS AUTORISÉS	NLAUT
NOMBRE DE LOGEMENTS EN COURS DE CONSTRUCTION	NLECR
NOMBRE DE LOGEMENTS ACHÉVÉS	NLACH
NOMBRE DE LOGEMENTS AYANT REÇUS UN CERTIFICAT DE CONFORMITÉ	NLCC



Ministère de l'Aménagement du Territoire National,  
de l'Urbanisme, de l'Habitat et de la Politique de la Ville

# Total volume in real estate loans has increased with more than 30% since 2010 to almost 260 billion dirhams

*Real estate loans to households has highest share (75%)*



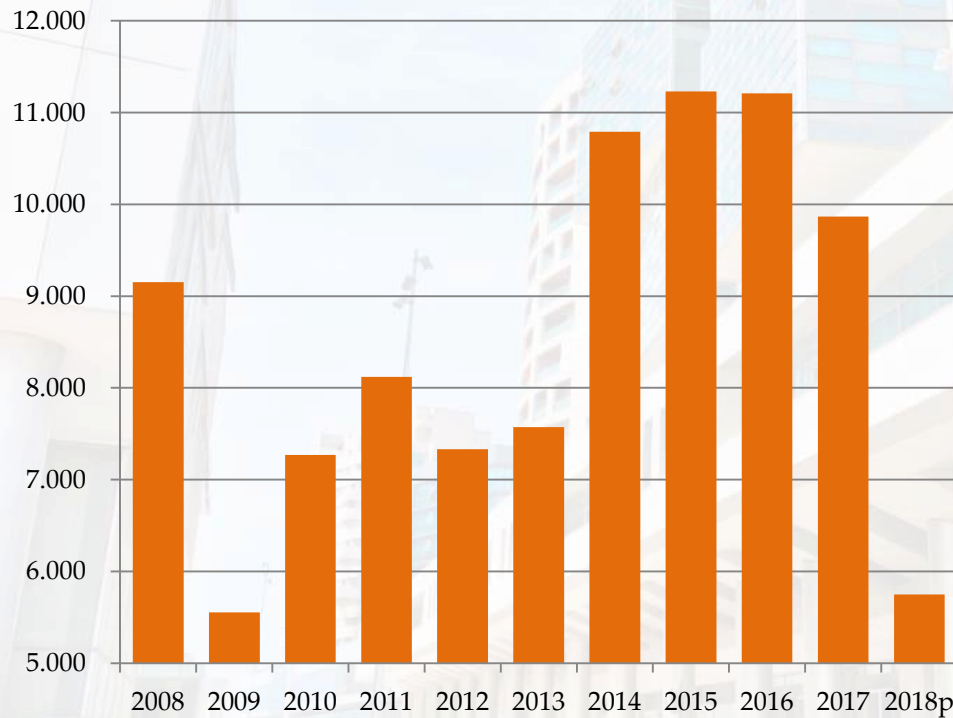
Note: (\*) level in December

Source: BAM

# FDI-flows in Moroccan real estate under pressure in 2018

*Main investors from Europe and Gulf region*

**Foreign direct investments flows  
in Moroccan real estate  
(million dirham)**



Note: (p) provisional figure  
Source: Office des Changes



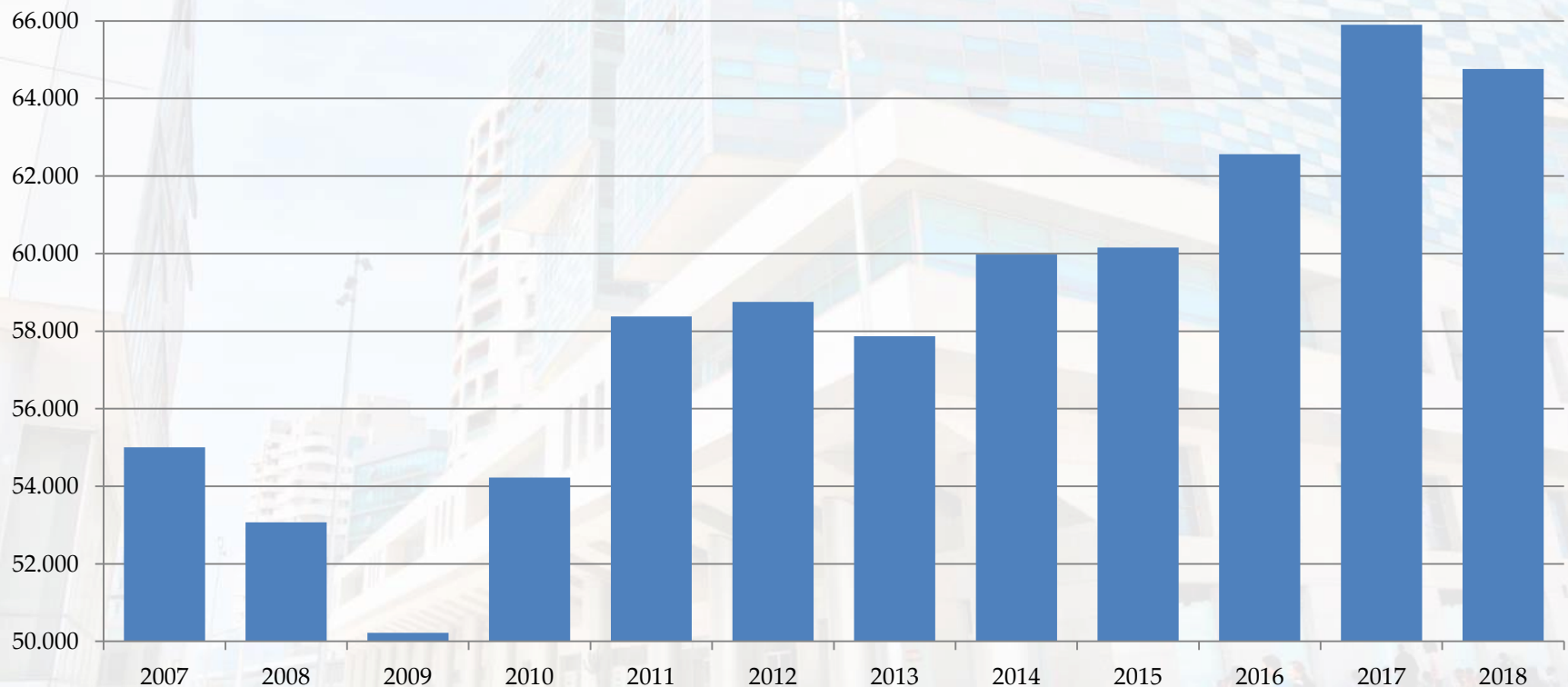
*Major investors Moroccan real estate market*



# High volumes money transfers Moroccan Diaspora

*85% is invested in real estate (primarily housing)*

Total money transfers MRE (million dirhams)



Source: Office des Changes

# Major real estate projects 2014 - 2020

## Casablanca

Casablanca Port (570 million euro):

- Shipyard
- Fishing port
- Marina
- Commercial
- Restaurants
- Residential



## Tanger

Tanger Metropole (730 million euro):

- Marina
- Cruise terminal
- Commercial
- Leisure
- Hotels
- Residential



## Marrakech

Redevelopment inner city (570 million euro):

- Infrastructure
- Touristic sites



## Rabat – Salé

Bouregreg Valley (820 million euro):

- Theatre
- Residential
- Museum
- Marina
- Leisure
- Hotels
- Commercial







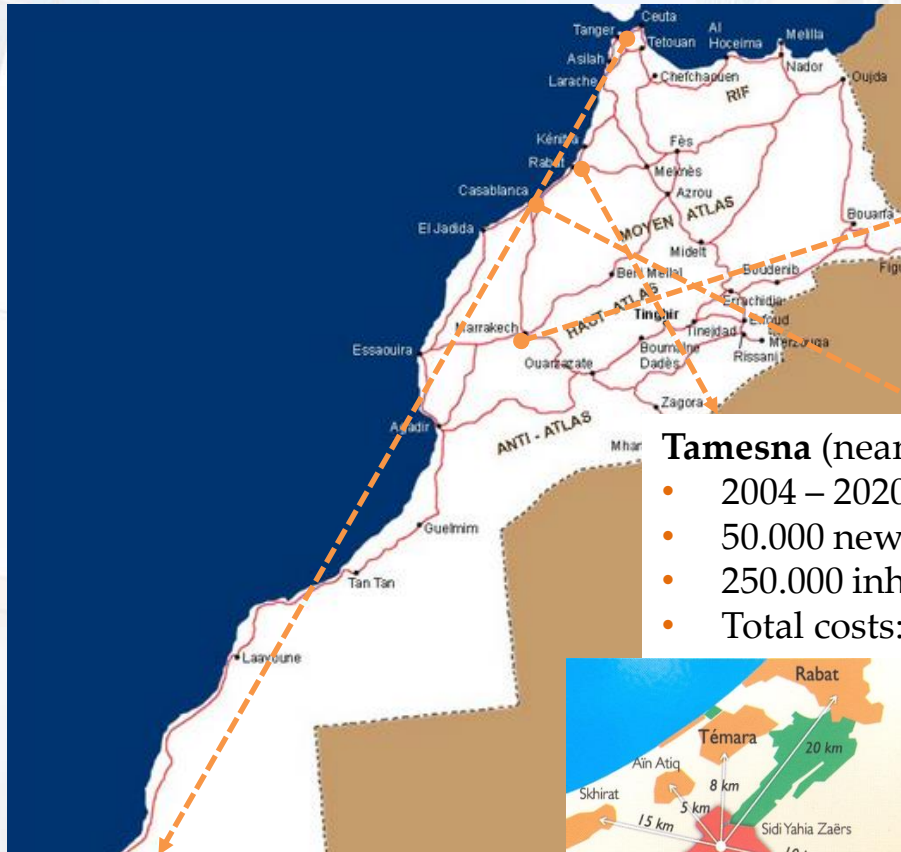
*The Bank of Africa Tower, Rabat (250m)  
Construction 2018 - 2022*



*Casa Finance City, Casablanca  
Construction*



# Large social housing projects

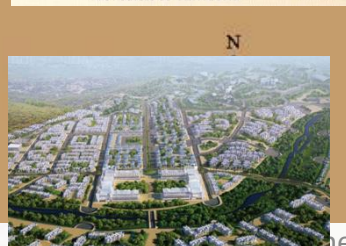


## Chrafat (near Tanger):

- 2009 - 2016
- 30.000 units
- 150.000 inhabitants
- Total costs: 24 billion dh

## Tamesna (near Rabat):

- 2004 – 2020
- 50.000 new units
- 250.000 inhabitants
- Total costs: 23 billion dh



## Tamansourt (near Marrakech):

- 2004 - 2015
- 90.000 new units
- 450.000 inhabitants
- Total costs: 39.5 billion dh



## Sahel Lakhyayta (near Casablanca):

- 58.000 units
- 300.000 inhabitants
- Total costs: 25 billion dh







**Thank you for your attention**  
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