

Stable real estate market continues to draw investment in Casablanca - JLL

[JLL's 2018 Year in Review report](#) has outlined a relatively stable real estate market in Casablanca across its hospitality, retail and industrial sectors. This, along with the announcement of new projects, has enhanced investor sentiment in the city.



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Oxford Economics predicts Morocco's real GDP will increase by 3.3% in 2019, owing to the expansion of the industrial sector, increased tourism and higher levels of capital spending. As a result, the hospitality and retail sectors continued to remain active in 2018 with new projects set to enter the market in 2019. There was also a notable 8.5% increase in tourist arrivals in 2018 compared to the previous year, according to Morocco's National Tourism Office (ONMT).

The hotel performance remained largely stable in 2018 with the sector now maturing due to the entry of new international operators. With increased spending in this sector, Casablanca aims to position itself as a leading destination for MICE and business tourism in the region, which is also being supported by improved infrastructure.

Rehabilitation projects

"The government is focused on improving tourism sites and the infrastructure of the city, and several rehabilitation projects are currently underway including the cable stayed bridge of Sidi Maarouf, the Grand Theatre and redevelopment of coastal sites. Casablanca's hospitality sector will continue to witness positive sentiment with new international developments entering the market," Craig Plumb, head of research, JLL MENA, added.

The retail sector continues to transform in relation to evolving consumer preferences. Retail developers are now responding to the change in demand by offering integrated retail parks housing additional leisure and entertainment facilities. Performance across the retail sector remained stable over 2018, paving the way for increased mall-based retail space entering the market, giving tenants a diversified choice in the future.

After its strong performance in the first half of 2018, Casablanca's commercial real estate market was relatively subdued in the latter half of 2018. Overall, the average rents remained generally stable in prime locations over the last six months. The issuance of the 600 MAD bond by the commercial real estate company Aradei Capital and the success of the Imorente's IPO earlier in the year, confirms investors' confidence in this sector. With new real estate investment funds entering the economy, the commercial market is due to remain active in the future.

With the refurbishment of the infrastructure underway, Casablanca's industrial sector continues to attract operators due to its well-established road network, port and air infrastructure. Average industrial rents have continued to remain stable, encouraging new investors and occupiers to enter the market.

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