BRGROUP

BR INTELLIGENCE

THE OFFICE QUALITY RESET

WHAT MAKES AN OFFICE COMPETITIVE - AND WHAT HAPPENS WHEN IT NO LONGER IS?

MOROCCO BUSINESS, INVESTMENT & CORPORATE REAL ESTATE DECISION BRIEFING



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ILLUSTRATIVE ARCHITECTURAL IMAGE

01 | EXECUTIVE BRIEF

Office quality is not a permanent label

A building can lose competitive position as occupier expectations, competing supply and locations evolve, even before it becomes physically obsolete.

SIGNAL 1 HIGH

Office classes are relative market classifications, not universal technical certifications.

SIGNAL 2 HIGH

65% of surveyed European occupiers plan a relocation within three years; 88% would reject a building missing an essential amenity.

SIGNAL 3 HIGH

United States Class A office deal volume rose 34% in 2025, while lower-quality segments remained under pressure.

SIGNAL 4 HIGH

Casablanca shows clear differences by district and building quality; prime modern space remains tighter than higher-vacancy alternatives.

MARKET PULSE

3.0M m²	**20%**	**1.0M m²**	**9%**
Casablanca office stock	Casablanca weighted vacancy	Rabat office stock	Rabat weighted vacancy

Sources: Building Owners and Managers Association International; CBRE; McKinsey; BR Group Casablanca and Rabat Office Market Snapshots, Aug–Sep 2026.

BR VIEW

The starting point should not be the building. It should be the market. An older office can still make sense if demand, location and competing supply support reinvestment. A newer building can still be poorly positioned if it enters the wrong market at the wrong time. Read city dynamics, occupier demand, competing supply and alternative uses first, then decide whether to maintain, reposition, convert or redevelop.

BR View reflects BR Group's professional opinion and should not be treated as definitive investment, legal, valuation or technical advice.

02 | THE GRADE QUESTION

GRADE A: LABEL OR REAL STANDARD?

A useful market language, but not a universal specification.

RELATIVE MARKET CLASSIFICATION

CLASS A	CLASS B	CLASS C
PREMIER	MAINSTREAM	FUNCTIONAL / VALUE
Above-area rents	**Around-market rents**	**Below-area rents**
High-quality systems	Adequate systems	Functional space

BOMA treats classes as relative market positions, not property certifications.

WHAT SHOULD SUPPORT THE LABEL?

01 LOCATION & ACCESS
02 BUILDING SYSTEMS
03 FLOOR EFFICIENCY
04 USER EXPERIENCE
05 MANAGEMENT
06 MARKET POSITION

Over the past 25 years, Moroccan developers have materially improved office product, helped by repeated exposure to international occupiers and their advisers. Modern specifications, environmental certification and stronger building systems are more common. But the terminology has not evolved as consistently: “Grade A” can still be shorthand for a new or certified building without a transparent test of efficiency, access, parking, systems, management or market position.

Source: Building Owners and Managers Association International (BOMA), office building class definitions.

BR VIEW

Grade A is useful only when the criteria behind the label are clear. In our view, it should describe a competitive position supported by measurable building and market characteristics, not simply modernity or environmental certification.

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03 | THE BUILDING TEST

WHAT ARE YOU ACTUALLY PAYING FOR?

A modern façade or premium address does not automatically translate into an efficient workplace.

THE BUILDING TEST

01 FLOOR EFFICIENCY
Usable workplace vs area paid for

02 HORIZONTAL + VERTICAL ACCESS
Circulation, lifts and peak flows

03 PARKING + ACCESSIBILITY
Operational fit for workforce and visitors

04 NATURAL LIGHT
Depth, façade and usable workplace quality

05 TECHNICAL SPECIFICATIONS
Cooling, power, lifts, connectivity, safety

06 FULL OCCUPANCY COST
Rent, charges, parking, fit-out and operations

THE COMMERCIAL QUESTION

HEADLINE RENT is only one line in the cost equation

SERVICE CHARGES + PARKING + FIT-OUT

ENERGY + LEASE TERMS

= FULL OCCUPANCY COST

Occupiers increasingly test the whole operating proposition, not only the rent. Floor efficiency affects how much usable workplace is delivered; circulation and lifts determine how the building works at peak occupancy; parking, natural light, technical capacity, fit-out condition and management affect daily performance. A higher rent can therefore still represent better value if the occupier needs less space, incurs lower fit-out exposure or receives a materially better operating environment.

Sources: CBRE European Office Occupier Sentiment Survey 2026; JLL guidance; BR Group Casablanca Office Market Snapshot, Aug 2026.

BR VIEW

The label matters less than how the building performs for the occupier. In our view, the right comparison is usable performance and full occupancy cost, not headline rent alone.

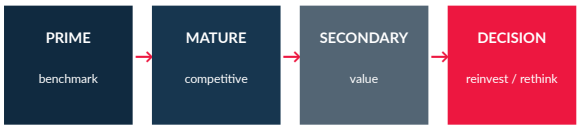
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04 | THE CYCLE

HOW DOES A PRIME OFFICE BECOME SECONDARY?

Commercial competitiveness can deteriorate before physical obsolescence occurs.

COMPETITIVE POSITION OVER TIME



Commercial competitiveness can deteriorate before physical obsolescence occurs.

WHAT MOVES THE CURVE?

MARKET	demand / rents / vacancy
LOCATION	district attraction / access
BUILDING	systems / layout / user fit
CAPITAL	new supply / refurbishment / repricing

Office quality is relative because the benchmark keeps moving. New developments introduce better specifications, access, amenities and efficiency, and can gradually shift occupier attention toward newer business districts. Casablanca illustrates the mechanism: successive generations of office development have changed the relative attraction of established and emerging locations. A building can remain physically sound while losing competitiveness because the surrounding market has moved.

Sources: McKinsey Global Private Markets Report 2026; Knight Frank Africa Report 2026/27; BR Group Casablanca Office Market Snapshot, Aug 2026.

BR VIEW

Competitive position is created by the interaction of building, district and market cycle, not by age alone. A physically sound building can lose ground when newer supply resets occupier expectations or shifts district attraction.

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05 | SECOND LIFE

IS THIS OFFICE WORTH SAVING?

Older does not automatically mean obsolete, but refurbishment should not be automatic either.

THE MARKET COMES FIRST

REPRICE / VALUE	MAINTAIN / UPGRADE
Weak demand Strong fundamentals	Strong demand Strong fundamentals
RETHINK USE	**REPOSITION / ADAPT**
Weak demand Weak fundamentals	Strong demand Weaker product

Read market demand and asset fundamentals together.

FOUR TESTS BEFORE CAPITAL EXPENDITURE

01 **DEMAND**
Who will occupy it?

02 **SUPPLY**
How much modern competition exists or is coming?

03 **CAPEX + INCOME**
Will the improvement pay back?

04 **POSITIONING**
Prime, value, flexible or smaller-unit office?

Refurbishment only makes sense in relation to office demand and competing supply. In a city already carrying substantial modern availability, heavy reinvestment in ageing stock may simply create another product competing for the same occupier base. In a tighter market, the same asset may have a credible second life. Large floorplates can also be subdivided or adapted for smaller companies, providing proper business premises instead of pushing firms into residential units.

Reference framework: JLL stay / renovate / relocate guidance. BR Group interpretation applied to Moroccan market conditions.

BR VIEW

The first question is not whether the building can be refurbished, but what role it can realistically play in its market. Demand, supply and achievable positioning should determine the capital decision.

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06 | CHANGE OF USE

WHEN SHOULD AN OFFICE STOP BEING AN OFFICE?

When restoring office competitiveness no longer produces a credible case, another use may fit the market better.

THE DECISION PATH

1	KEEP AS OFFICE	Current use still works
2	REPOSITION	Capex can restore competitiveness
3	CHANGE USE	Another use better fits demand
4	REDEVELOP	Site value exceeds building value

FOUR FEASIBILITY GATES

PHYSICAL	structure / depth / core / servicing
LEGAL	planning / title / use permissions
MARKET	real demand for the alternative use
FINANCIAL	value created exceeds cost and risk

Where office demand no longer supports reinvestment, the alternative use should come from the wider city equation. Excess office supply combined with strong residential demand may point one way; tourism, business travel, healthcare or education demand may point another. The existing building still matters—floor depth, structure, façade, cores and servicing can make conversion easy, expensive or impossible—but the market need should come first.

International reference: CBRE office conversion research. Conversion viability is building- and market-specific.

BR VIEW

The objective is not to preserve office use. It is to identify the use that makes the strongest economic and urban sense for the location, subject to physical, legal and financial feasibility.

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07 | DECISION AGENDA

Read the market before you read the building

Quality is dynamic. The relevant decision is how the asset should compete in its market now and over the next cycle.

FOR OCCUPIERS	• Define the performance required before selecting a grade. • Compare usable efficiency, access, technical performance and full occupancy cost. • Pay for attributes that support the business, not the label alone.
FOR OWNERS	• Read city, district and competing supply before committing capital expenditure. • Separate fixable weaknesses from structural constraints. • Test refurbishment against office demand and alternative uses.
FOR INVESTORS & DEVELOPERS	• Treat Grade A as a competitive position, not a description of new construction. • Distinguish ageing from loss of competitiveness. • Where office economics no longer work, test repositioning or alternative use.

BR VIEW

It is not ultimately about whether a building is new or old. It is about the market dynamics around it.

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08 | METHODOLOGY & SOURCES

How this edition was built

Issue 006 combines recognised office-classification guidance, international occupier and investment research, international refurbishment and conversion evidence, BR Group office-market intelligence for Casablanca and Rabat, and BR Group professional interpretation.

CLASSIFICATION

Confirmed: completed / observed.
External benchmark: international evidence used as mechanism or context.
BR interpretation: professional judgement, clearly distinguished from fact.

CONFIDENCE

High: authoritative and/or corroborated.
Medium: credible but context-dependent or one main source.
Low: not sufficiently verified and normally excluded.

LIMITATIONS / UPDATE POLICY

Morocco does not currently offer a transparent, consistently applied national dataset covering office stock by grade, vacancy, absorption and achieved rents across all major cities. Issue 006 therefore does not quantify a national grade distribution, rental premium, obsolescence rate or flight-to-quality trend.

SELECTED SOURCES

1. Building Owners and Managers Association International - Office Building Class Definitions

2. McKinsey & Company - Global Private Markets Report 2026, Real Estate

3. CBRE - European Office Occupier Sentiment Survey 2026

4. JLL - Stay, Renovate or Relocate? 2026

5. Knight Frank - Africa Report 2026/27

6. BR Group - Casablanca Office Market Snapshot, Aug 2026

7. BR Group - Rabat Office Market Snapshot, Sep 2026

8. CBRE - office conversion research

PREVIOUS ISSUES

ISSUE 001 | 22 JULY 2026

ISSUE 002 | 05 AUGUST 2026

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ABOUT BR INTELLIGENCE

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KEY ABBREVIATIONS | BOMA = Building Owners and Managers Association International | HVAC = heating, ventilation and air-conditioning | MAD = Moroccan dirham

DISCLAIMER Prepared from public, institutional, corporate and selected BR Group sources believed reliable at publication. Information may be incomplete or change. Independent verification is recommended before material investment, property or business decisions.

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