

## Karen's Rise as a Commercial Hub Spurs Growth in Neighbouring Suburbs and Towns

- Average property prices dropped 1.1 percent in the third quarter and 3.7 percent in the year to September 2023.
- Apartment price rose by 1.5 percent in the quarter while detached and semi-detached house prices retreated by 1.7 percent and 0.9 percent respectively.
- Property prices in Ngong, Ruiru, Kiambu and Langata all posted strong growth in the 12-months leading to the third quarter of 2023.
- Property rental prices grew by 0.4 percent in the quarter, led by apartments whose asking rental prices rose by 3.2 percent in the same period.
- Apartments in Westlands commanded the strongest price growth within the city up 3.4 percent, while Limuru saw the highest growth in satellite towns up 3.2 percent in Q3 2023.

### Property Index Highlights:

The Hass Composite Sales Index	Quarter % Change	Annual % Change	Change From Oct 2013
All Properties	-1.1%	-3.7%	1.38 Fold
Detached Houses	-1.7%	-3.1%	1.36 Fold
Semi Detached Houses	-0.9%	-8.6%	1.53 Fold
Apartments	1.5%	2.1%	1.25 Fold
Segment with Highest Quarterly Increase in Sales Price	Houses in Athi River (+3.5 % over last quarter)		
Segment with Lowest Quarterly Increase in Sales Price	Houses in Runda (-3.5 % over last quarter)		
Segment with Highest Annual Increase in Sales Price	Houses in Ngong (+14.7 % over last year)		
Segment with Lowest Annual Increase in Sales Price	Apartments in Upper Hill (-12.7% over last year)		

The Hass Composite Rental Index	Quarter % Change	Annual % Change	Change From Oct 2013
All Properties	0.4%	-1.5%	1.39 Fold
Detached Houses	-0.7%	-3.6%	1.30 Fold
Semi Detached Houses	-0.4%	-5.2%	1.62 Fold
Apartments	3.2%	5.9%	1.43 Fold
Segment with Highest Quarterly Increase in Rental Price	Apartments in Westlands (+3.4% over last quarter)		
Segment with Lowest Quarterly Increase in Rental Price	Houses in Kiambu (-1.4% over last quarter)		
Segment with Highest Annual Increase in Rental Price	Houses in Ongata Rongai (+16.0% over last year)		
Segment with Lowest Annual Increase in Rental Price	Apartments in Upper Hill (-10.9% over last year)		

HassConsult released the Hass Property Sales and Rental price indices for the third quarter of 2023, revealing a drop in average sales prices of 1.1 percent in the quarter, resulting in a 3.7 percent drop in the year to September 2023.

Prices of detached and semi-detached houses fell by 1.7 percent and 0.9 percent in the quarter, while apartments recorded a 1.5 percent growth in prices as buyers look for value in a challenging economy.

Higher interest rates impacting market liquidity negatively affected demand for own-to-occupy real estate during the quarter, largely constituted of detached and semi-detached homes. Banks are also exercising stringent lending, mitigating risk of loan defaults in a tightening economy that is characterized by inflation and higher taxation.

The rental market in contrast, experienced a price growth of 0.4 percent on average over the quarter, backed by the outperformance of apartments compared to detached and semi-detached units. Apartment rental prices grew 3.2 percent in the quarter, with affordability a key consideration, while prices for detached and semi-detached houses fell 0.7 percent and 0.4 percent respectively.

Apartments therefore continue to offer the best value for money for investors, both in rental yields and capital gains.

“The apartment market is seeing a price resurgence backed by renewed demand for inflation beating investment assets in a period where the Kenya shilling is losing value,” said Ms. Sakina Hassanali, Head of Development, Consulting and Research at HassConsult.

Suburbs such as Riverside, Langata and Westlands, which are in close proximity to the city's main economic hubs performed best in rental price growth of between 1.5 percent and -3.4 percent. Among satellite towns, those with the best access infrastructure (Thika, Syokimau, Ngong, Limuru, Juja) continue to outperform the market average.

Compared to other asset classes, overall property rental returns have outperformed the equities market on an annual basis, but trail the returns on offer on Treasury bills.

“Apartment returns of 5.9 percent in the year to September are however higher than those in savings, which averaged 4.05 percent by the end of August,” added Ms. Hassanali.

**For more information, please contact:**

Sakina Hassanali, Head of Development Consulting & Research

## House Price Trends By Suburb in Nairobi

Nairobi Suburbs Property Index - All Houses	Sales Prices			Rental Prices		
	Quarter % Change	Annual % Change	Change From Oct 2013	Quarter % Change	Annual % Change	Change From Oct 2013
Donholm	-0.1 %	-0.6 %	1.33 FOLD	0.1 %	-6.7 %	1.15 FOLD
Gigiri	-0.7 %	4.0 %	1.69 FOLD	0.5 %	2.5 %	1.11 FOLD
Karen	-0.5 %	-0.9 %	1.76 FOLD	-0.1 %	0.2 %	1.52 FOLD
Kileleshwa	-0.9 %	-2.5 %	1.69 FOLD	-0.5 %	-7.7 %	1.33 FOLD
Kilimani	2.2 %	10.0 %	1.37 FOLD	-0.7 %	-5.0 %	1.36 FOLD
Kitisuru	-2.3 %	-9.5 %	1.54 FOLD	0.5 %	-1.4 %	1.12 FOLD
Langata	1.1 %	10.3 %	2.36 FOLD	3.1 %	8.1 %	1.20 FOLD
Lavington	-0.3 %	-3.1 %	1.56 FOLD	-0.9 %	-4.6 %	1.51 FOLD
Loresho	-2.1 %	-3.7 %	1.91 FOLD	2.0 %	10.8 %	1.47 FOLD
Muthaiga	-1.9 %	5.7 %	2.15 FOLD	-0.9 %	0.4 %	1.60 FOLD
Nyari Estate	0.7 %	8.5 %	1.80 FOLD	0.8 %	9.5 %	1.45 FOLD
Ridgeways	-3.3 %	-5.9 %	1.58 FOLD	0.4 %	2.7 %	1.38 FOLD
Runda	-3.5 %	-10.9 %	1.33 FOLD	-0.7 %	-2.5 %	1.20 FOLD
Spring Valley	-2.4 %	-10.6 %	1.42 FOLD	-0.7 %	-0.4 %	1.11 FOLD
Westlands	-2.1 %	-9.4 %	1.49 FOLD	1.6 %	0.3 %	1.38 FOLD

## Apartment Price Trends By Suburb Nairobi

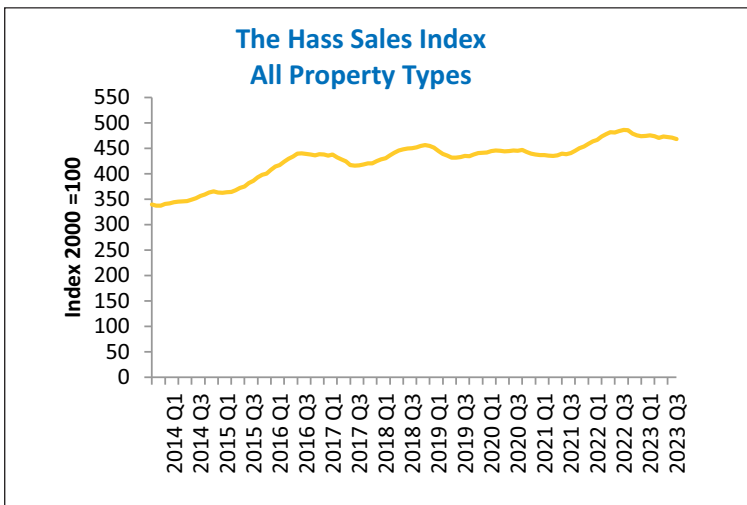
Nairobi Suburbs Property Index - Apartments	Sales Prices			Rental Prices		
	Quarter % Change	Annual % Change	Change From Oct 2013	Quarter % Change	Annual % Change	Change From Oct 2013
Kileleshwa	-0.1 %	-0.2 %	1.01 FOLD	1.9 %	1.0 %	1.20 FOLD
Kilimani	0.8 %	-1.2 %	0.87 FOLD	1.5 %	-0.6 %	1.10 FOLD
Langata	0.3 %	10.2 %	1.45 FOLD	3.2 %	9.4 %	1.63 FOLD
Lavington	-0.1 %	-2.9 %	1.09 FOLD	0.2 %	-2.1 %	1.03 FOLD
Parklands	0.3 %	-4.8 %	1.30 FOLD	-0.9 %	-9.9 %	1.60 FOLD
Riverside	-0.9 %	-10.6 %	1.39 FOLD	3.1 %	-3.3 %	1.58 FOLD
Upperhill	-0.4 %	-12.7 %	1.19 FOLD	-0.4 %	-10.9 %	1.29 FOLD
Westlands	-1.4 %	-1.8 %	1.25 FOLD	3.4 %	1.8 %	1.17 FOLD

## House Price Trends By Town in Nairobi's Satellite Areas

Nairobi Satellite Property Index - All houses	Sales Prices			Rental Prices		
	Quarter % Change	Annual % Change	Change From Oct 2013	Quarter % Change	Annual % Change	Change From Oct 2013
Athi River	3.5 %	9.2 %	1.87 FOLD	1.8%	8.2 %	1.35 FOLD
Juja	1.3 %	-4.9 %	0.89 FOLD	2.6 %	1.4 %	1.62 FOLD
Kiambu	2.3 %	11.8 %	1.78 FOLD	-1.4 %	-2.6 %	1.24 FOLD
Kiserian	2.1 %	7.5 %	1.62 FOLD	-1.3 %	0.6 %	1.40 FOLD
Kitengela	1.0 %	5.2 %	1.54 FOLD	0.6 %	4.8%	1.41 FOLD
Limuru	0.2 %	-9.3 %	1.66 FOLD	3.2 %	1.4 %	1.62 FOLD
Ngong	1.8 %	14.7 %	2.31 FOLD	1.2 %	13.7 %	2.46 FOLD
Ongata Rongai	2.2 %	8.9 %	1.71 FOLD	1.5 %	12.7 %	1.54 FOLD
Ruiru	2.7 %	11.9 %	1.96 FOLD	-0.5 %	10.3 %	2.62 FOLD
Tigoni	-0.2 %	10.8 %	1.42 FOLD	-0.7 %	-0.4 %	1.76 FOLD

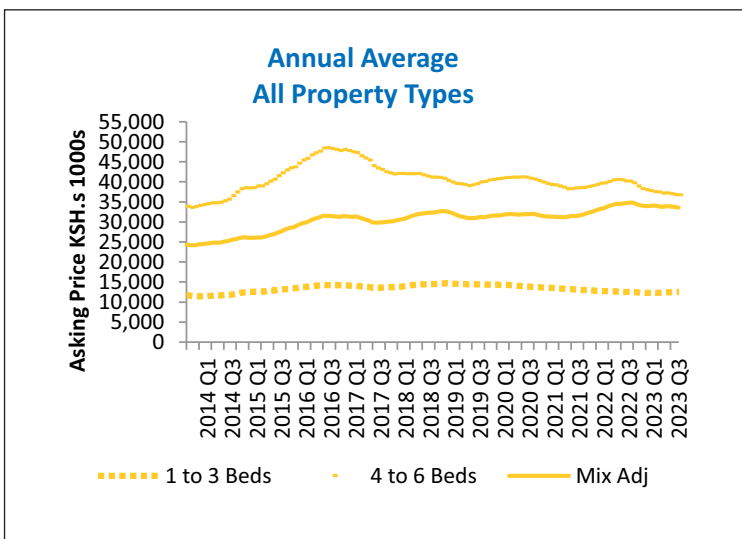
## Apartment Price Trends By Town in Nairobi's Satellite Areas

Nairobi Satellite Property Index - Apartments	Sales Prices			Rental Prices		
	Quarter % Change	Annual % Change	Change From Oct 2013	Quarter % Change	Annual % Change	Change From Oct 2013
Athi River	1.2 %	1.9 %	1.26 FOLD	-0.4 %	-5.0%	1.14 FOLD
Kiambu	2.9 %	7.8 %	1.63 FOLD	0.1 %	11.2 %	1.30 FOLD
Kitengela	-1.6 %	-10.9 %	1.21 FOLD	1.3 %	11.0 %	1.53 FOLD
Mlolongo	2.1 %	2.5 %	1.33 FOLD	1.2 %	4.3 %	1.33 FOLD
Ngong	-0.7 %	5.0 %	1.86 FOLD	-1.3%	2.8 %	1.96 FOLD
Ongata Rongai	-0.3%	-3.8 %	0.92 FOLD	0.5 %	16.0 %	1.95 FOLD
Ruaka	2.2 %	-2.6 %	1.23 FOLD	1.2 %	11.1 %	1.86 FOLD
Syokimau	-1.0 %	-0.5 %	1.35 FOLD	1.9 %	12.4 %	1.46 FOLD
Thika	-2.9 %	6.1 %	1.15 FOLD	2.2 %	5.2 %	1.40 FOLD



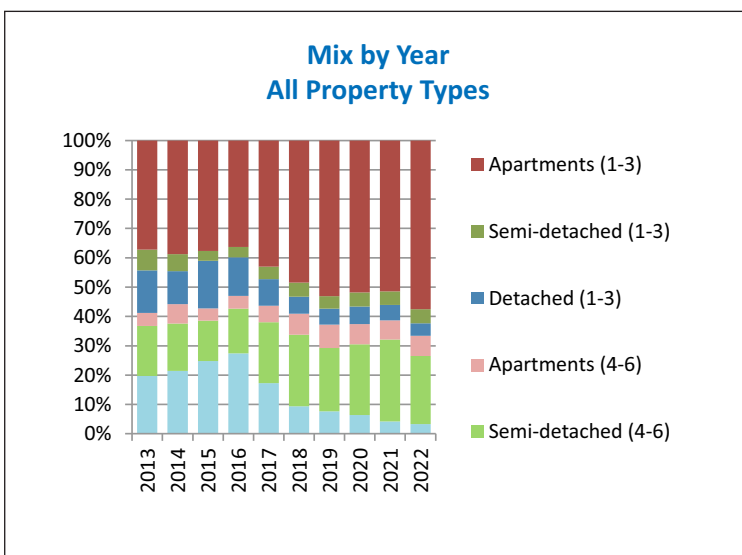
#### SNAP SHOTS:

- The Hass Composite Sales Index is representative of all properties for sale in Kenya.
- Property values have increased by 4.68 times since 2000.
- The index shows a property price fall of -0.58% in the last month, and a fall of -1.08% in the last quarter and a -3.66% fall in the last year.



#### SNAP SHOTS:

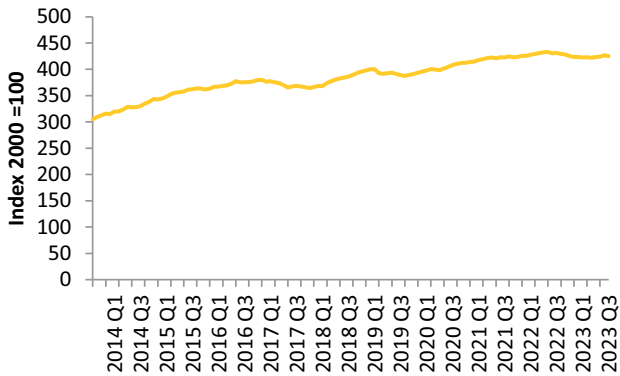
- The annual average is representative of the average price of all mid to upper class properties offered for sale in Kenya.
- The average value for a property has gone from 7.1 million in December 2000 to 33.5 million in September 2023.
- The average value for a 4-6 bedroom property is currently 36.7 million.
- The average value for a 1-3 bedroom property is currently 12.6 million.



#### SNAP SHOTS:

- The Mix by Year is a measure of the percentage that each type of property represents in the market.
- In 2001, Apartments took up 23.5% of the market, semi-detached took up 24.5% of the market and detached houses took up 52% of the market.
- In December 2022 however, Apartments took up 64.4% of the market, Semi-detached Houses took up 28.1% of the market and Detached Houses took up 7.5% of the market.

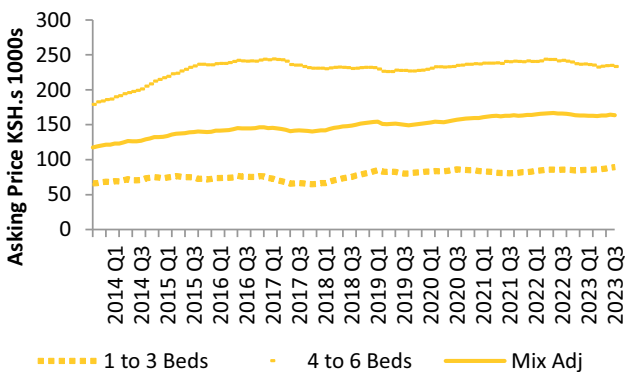
## The Hass Rental Index All Property Types



### SNAP SHOTS:

- The Hass Composite Letting Index is representative of all properties for rental in Kenya.
- Rents have increased by 4.25 fold since 2001.
- The index shows a property price fall of -0.41% in the last month, a rise of 0.39% in the last quarter and have fallen by -1.52% rise in the last year.

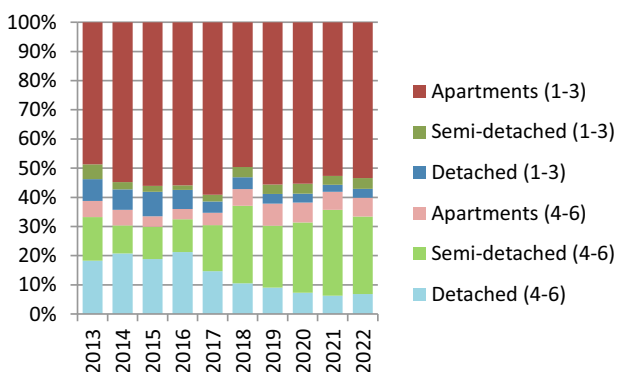
## Annual Average All Property Types



### SNAP SHOTS:

- The annual average is representative of the average rent of all properties offered to let in Kenya.
- The average rental for a property has gone from KES. 38,516 in December 2000 to KES.163,667 September 2023.
- The average rent for a 4-6 bedroom property is currently KES. 233,365.
- The average rent for a 1-3 bedroom property is currently KES. 89,136.

## Mix by Year All Property Types



### SNAP SHOTS:

- The Mix by Year is a measure of the percentage that each type of property represents in the market.
- In 2001, Apartments took up 45.3% of the market, Semi-detached Houses took up 20.5% of the market and Detached Houses took up 34.2% of the market.
- In December 2022 however, Apartments took up 59.8% of the market, Semi-detached Houses took up 30.3% of the market and Detached Houses took up 9.9% of the market.