

Apartments in satellite towns see rent price growth despite market wide rent price stagnation

- Property sale prices remained static at 0.02 percent over the quarter.
- Semi-detached prices backed the trend dropping by 2.4 percent while apartment prices went up to 0.8 percent and detached up 0.7 percent.
- The proportion of detached houses in the property market has steadily decreased over the years, accounting for only 7.5 percent of all properties currently, compared to over 50 percent in the early 2000s.
- Rental prices market wide fell an average of 0.5 percent over the quarter and 1.2 percent over the year with hotspots of growth witnessed in the satellite towns, mostly recording rental price gains.
- Apartments located in the satellite towns recorded rental return gains of up to 5.9 percent QoQ over the quarter and 22.8 percent YoY annually, made more attractive by the under performance of other asset classes such as bonds and equities.

Property Index Highlights:

The Hass Composite Sales Index	Quarter % Change	Annual % Change	Change From Apr 2013
All Properties	0.02%	2.0%	1.40 Fold
Detached Houses	0.7%	5.6%	1.38 Fold
Semi Detached Houses	-2.4%	-6.4%	1.58 Fold
Apartments	0.8%	-0.5%	1.22 Fold
Segment with Highest Quarterly Increase in Sales Price	Houses in Langata (+6.1 % over last quarter)		
Segment with Lowest Quarterly Increase in Sales Price	Apartments in Upper Hill (-4.4 % over last quarter)		
Segment with Highest Annual Increase in Sales Price	Houses in Langata (+17.5 % over last year)		
Segment with Lowest Annual Increase in Sales Price	Apartments in Upper Hill (-11.8% over last year)		

The Hass Composite Rental Index	Quarter % Change	Annual % Change	Change From Apr 2013
All Properties	-0.5%	-1.2%	1.43 Fold
Detached Houses	-1.2%	-2.5%	1.35 Fold
Semi Detached Houses	-0.7%	-3.2%	1.82 Fold
Apartments	1.0%	3.2%	1.33 Fold
Segment with Highest Quarterly Increase in Rental Price	Houses in Ongata Rongai (+5.9% over last quarter)		
Segment with Lowest Quarterly Increase in Rental Price	Houses in Donholm (-6.2% over last quarter)		
Segment with Highest Annual Increase in Rental Price	Houses in Ongata Rongai (+22.8% over last year)		
Segment with Lowest Annual Increase in Rental Price	Apartments in Parklands (-11.3% over last year)		

HassConsult today announced results for the Hass property price indices for the first quarter of 2023, showing property prices were static at 0.02 per cent. However, the performance of the market was mixed within different property segments during this period.

Over the quarter, semi-detached houses sales prices dropped by 2.4 percent as demand continues to wane. In contrast, apartments and detached houses on their part saw prices slightly increase by 0.8 percent and 0.7 per cent. These increases in prices can be attributed to inflation adjustments in prices coupled with sustained demand, particularly for detached houses.

HassConsult notes that over the last 20 years demand has outpaced supply for detached houses resulting in an increase in sale prices.

“It is worth noting that detached homes now account for only 7.5 per cent of the market, down from 28 per cent in 2016 and over 50 percent in the early 2000s, while apartments' market share grew to 64.4 per cent and semi-detached homes increased to 28.1 per cent during the same period,” said Ms. Sakina Hassanali, Head of Development Consulting and Research at HassConsult.

The average sales price for detached houses has reached KES48.7 million, while semi-detached homes are currently selling for KES30.2 million. The average sales price for apartments is KES15.07 million.

The rental market experienced a decline of 0.5 percent in average over the last quarter, and decrease of 1.2 percent over the past year.

However, rental price trends in the satellite towns, are bucking the trend. Nearly all towns posted positive growth on apartment rental pricing highlighting the increasing occupancy rate of apartments targeted at renters with a monthly budget between Sh25,500 and Sh50,000.

The demand for affordable rental properties, particularly apartments in satellite towns, has impacted the overall returns, as indicated by rental yields and capital gains. Apartments located in satellite towns recorded average rental returns of 3.4 percent over the quarter and 9.0 percent annually, respectively.

“This trend is being further boosted by the underperformance of other asset classes such as bonds, equities, and fixed deposits, making these apartments an attractive investment option,” 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 Apr 2013	Quarter % Change	Annual % Change	Change From Apr 2013
Donholm	-2.1 %	4.5 %	1.48 FOLD	-6.2 %	-4.8 %	1.24 FOLD
Gigiri	2.3 %	6.0 %	1.74 FOLD	-0.2 %	-0.5 %	1.12 FOLD
Karen	-0.03 %	-1.0 %	1.74 FOLD	1.3 %	2.9 %	1.58 FOLD
Kileleshwa	-2.1 %	0.2 %	1.74 FOLD	-1.8 %	-7.7 %	1.43 FOLD
Kilimani	4.4 %	8.0 %	1.39 FOLD	-0.2 %	-6.8 %	1.41 FOLD
Kitisuru	-3.3 %	-3.5 %	1.72 FOLD	-0.9 %	-3.1 %	1.21 FOLD
Langata	5.9 %	17.5 %	2.45 FOLD	1.3 %	1.8 %	1.16 FOLD
Lavington	0.3 %	-5.1 %	1.62 FOLD	-0.4 %	-4.7 %	1.64 FOLD
Loresho	2.0 %	3.1 %	2.01 FOLD	3.8 %	8.6 %	1.47 FOLD
Muthaiga	2.1 %	10.4 %	2.23 FOLD	2.9 %	0.1 %	1.71 FOLD
Nyari Estate	2.7 %	9.9 %	1.77 FOLD	3.5 %	6.2 %	1.40 FOLD
Ridgeways	0.5 %	-0.3 %	1.71 FOLD	1.8 %	2.6 %	1.42 FOLD
Runda	-2.9 %	-6.5 %	1.48 FOLD	-0.2 %	-3.3 %	1.24 FOLD
Spring Valley	-1.4 %	-5.9 %	1.51 FOLD	0.8 %	0.6 %	1.18 FOLD
Westlands	-2.6 %	-3.1 %	1.71 FOLD	1.3 %	0.8 %	1.52 FOLD

Apartment Price Trends By Suburb Nairobi

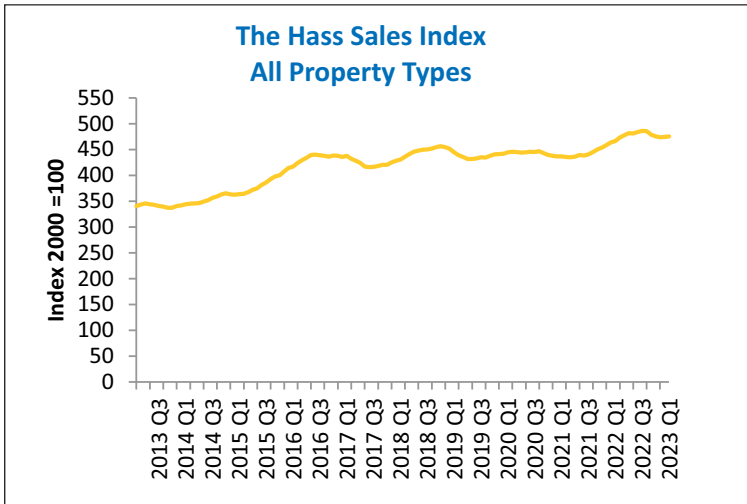
Nairobi Suburbs Property Index - Apartments	Sales Prices			Rental Prices		
	Quarter % Change	Annual % Change	Change From Apr 2013	Quarter % Change	Annual % Change	Change From Apr 2013
Kileleshwa	1.0 %	-0.2 %	0.99 FOLD	-1.4 %	-3.9 %	1.19 FOLD
Kilimani	-0.4 %	-3.5 %	0.92 FOLD	-0.2 %	-3.6 %	1.12 FOLD
Langata	6.1 %	16.4 %	1.47 FOLD	0.1 %	12.8 %	1.66 FOLD
Lavington	-0.4 %	-1.2 %	1.15 FOLD	-0.1 %	-1.0 %	1.09 FOLD
Parklands	-0.5 %	-3.8 %	1.36 FOLD	-3.2 %	-11.3 %	1.70 FOLD
Riverside	-3.6 %	-9.9 %	1.42 FOLD	-2.4 %	-3.7 %	1.50 FOLD
Upperhill	-4.4 %	-11.8 %	1.26 FOLD	-3.8 %	-11.1 %	1.36 FOLD
Westlands	2.4 %	-2.1 %	1.28 FOLD	-0.7 %	0.3 %	1.27 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 Apr 2013	Quarter % Change	Annual % Change	Change From Apr 2013
Athi River	2.3 %	1.3 %	1.84 FOLD	2.5%	9.1 %	1.37 FOLD
Juja	-1.1 %	-0.7 %	0.95 FOLD	-2.5 %	-3.1 %	1.62 FOLD
Kiambu	3.5 %	11.0 %	1.99 FOLD	1.3 %	-1.8 %	1.35 FOLD
Kiserian	-2.3 %	9.3 %	1.59 FOLD	3.8 %	7.2 %	1.60 FOLD
Kitengela	2.3 %	7.3 %	1.61 FOLD	2.0 %	7.4%	1.42 FOLD
Limuru	-3.2 %	-9.4 %	1.72 FOLD	0.6 %	-2.1 %	1.65 FOLD
Ngong	2.1 %	16.7 %	2.18 FOLD	3.9 %	17.4 %	2.52 FOLD
Ongata Rongai	3.6 %	13.8 %	1.82 FOLD	5.3 %	9.1 %	1.62 FOLD
Ruiru	2.9 %	9.7 %	2.08 FOLD	1.6 %	14.3 %	2.54 FOLD
Tigoni	4.2 %	11.0 %	1.54 FOLD	-1.4 %	4.8 %	1.78 FOLD

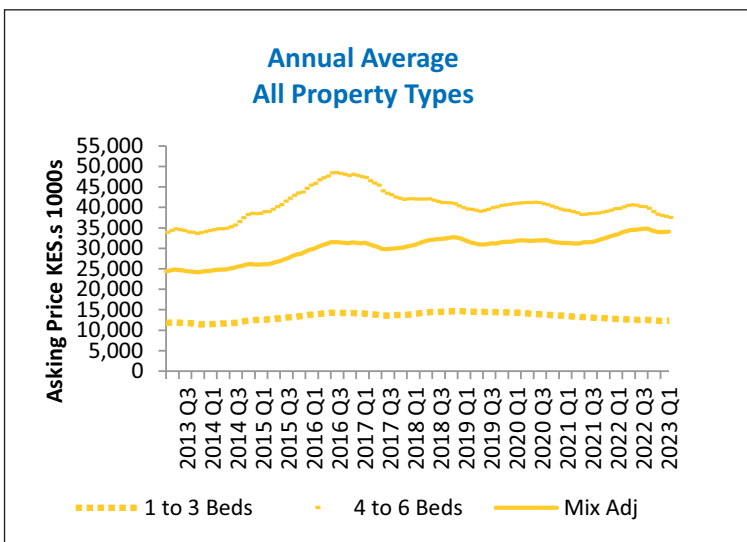
Apartment Price Trends By Town in Nairobi's Satellite Areas

Nairobi Satellite Property Index - Apartments	Sales Prices			Rental Prices		
	Quarter % Change	Annual % Change	Change From Apr 2013	Quarter % Change	Annual % Change	Change From Apr 2013
Athi River	-0.9 %	-4.6 %	1.27 FOLD	0.5 %	-0.9%	1.18 FOLD
Kiambu	-0.6 %	-2.0 %	1.62 FOLD	5.3 %	7.6 %	1.53 FOLD
Kitengela	-2.9 %	-11.1 %	1.27 FOLD	0.7 %	4.1 %	1.45 FOLD
Mlolongo	1.3 %	1.9 %	1.36 FOLD	2.6 %	2.9 %	1.38 FOLD
Ngong	2.4 %	2.9 %	2.00 FOLD	3.0%	11.2 %	2.05 FOLD
Ongata Rongai	0.3%	-6.2 %	0.96 FOLD	5.9 %	22.8 %	1.96 FOLD
Ruaka	0.2 %	-7.5 %	1.28 FOLD	3.1 %	11.5 %	1.91 FOLD
Syokimau	-0.6 %	1.2 %	1.42 FOLD	4.4 %	14.2 %	1.51 FOLD
Thika	5.4 %	3.3 %	1.16 FOLD	5.7 %	7.5 %	1.45 FOLD



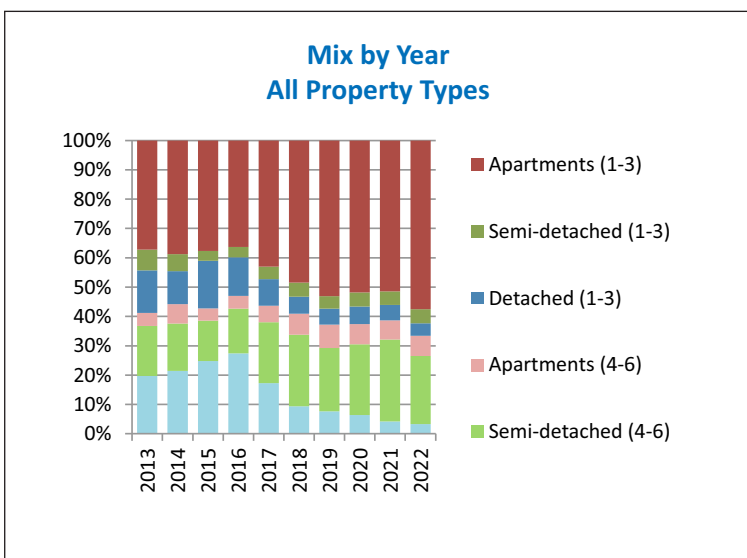
SNAP SHOTS:

- The Hass Composite Sales Index is representative of all properties for sale in Kenya.
- Property values have increased by 4.75 times since 2000.
- The index shows a property price rise of 0.29% in the last month, and a rise of 0.02% in the last quarter and a 1.98% rise in the last year.



SNAP SHOTS:

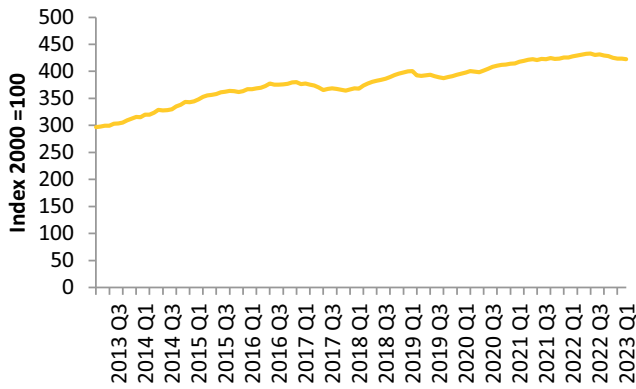
- The annual average is representative of the average price of all mid to upper class properties offered for sale in Kenya.
- The average value for a property has gone from 7.1 million in December 2000 to 34.1 million in March 2023.
- The average value for a 4-6 bedroom property is currently 37.6 million.
- The average value for a 1-3 bedroom property is currently 12.3 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.

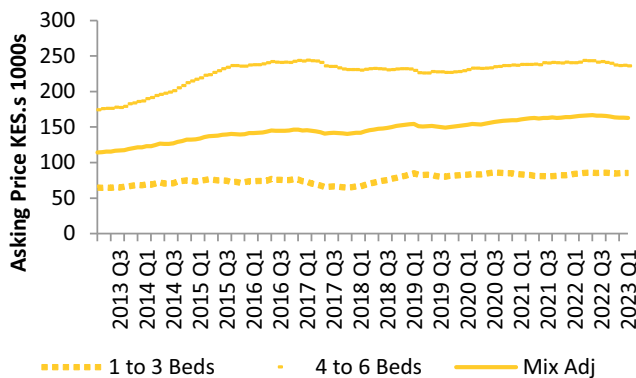
The Hass Rental Index All Property Types



SNAP SHOTS:

- The Hass Composite Letting Index is representative of all properties for rental in Kenya.
- Rents have increased by 4.23 fold since 2001.
- The index shows a property price fall of -0.25% in the last month, a fall of -0.53% in the last quarter and have fallen by -1.21% rise in the last year.

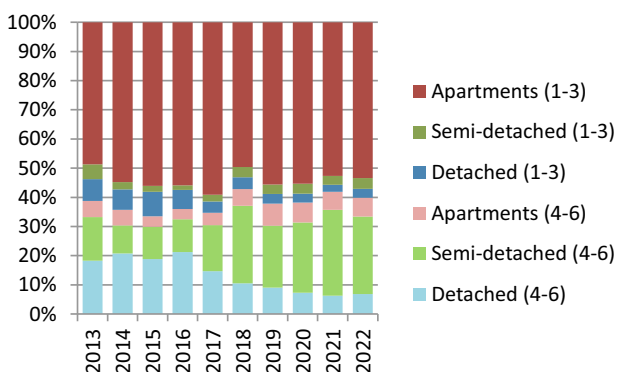
Annual Average All Property Types



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 Kshs. 38,516 in December 2000 to KES. 162,812 in March 2023.
- The average rent for a 4-6 bedroom property is currently KES. 236,120.
- The average rent for a 1-3 bedroom property is currently KES. 85,344.

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 2021 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.