

Inflationary pressures together with renewed market interest push up property and rental pricing

- Property prices increase across the board at 3.3 percent over the quarter, the third consecutive quarter to post strong market growth - similar price rise levels previously witnessed in 2016 .
- Rising cost of building materials expected to affect property pricing of new building coming onto the market in 2023.
- Landlords inflation-adjust rents across all properties resulting in a 1.1 percent increase over the quarter with apartments seeing the biggest jump at 2 percent.
- The net effect of property prices and rents jointly moving up means total property returns (capitals gains and rental yields) are now up 16.26 percent per annum, currently placing property at the helm of investment returns. same period after consistent price corrections in the majority of 2021.

Property Index Highlights:

The Hass Composite Sales Index	Quarter % Change	Annual % Change	Change From Jul 2012
All Properties	3.3%	10.5%	1.48 Fold
Detached Houses	5.0%	16.8%	1.46 Fold
Semi Detached Houses	0.6%	1.6%	1.69 Fold
Apartments	0.5%	-0.9%	1.28 Fold
Segment with Highest Quarterly Increase in Sales Price	Houses in Langata (+5.3 % over last quarter)		
Segment with Lowest Quarterly Increase in Sales Price	Apartments in Athi River (-1.5 % over last quarter)		
Segment with Highest Annual Increase in Sales Price	Houses in Ongata Rongai (+13.0 % over last year)		
Segment with Lowest Annual Increase in Sales Price	Apartments in Kileleshwa (-9.1% over last year)		

The Hass Composite Rental Index	Quarter % Change	Annual % Change	Change From Jul 2012
All Properties	1.1%	2.4%	1.60 Fold
Detached Houses	0.5%	1.8%	1.55 Fold
Semi Detached Houses	1.3%	2.2%	2.13 Fold
Apartments	2.0%	3.7%	1.38 Fold
Segment with Highest Quarterly Increase in Rental Price	Apartments in Westlands (+5.1% over last quarter)		
Segment with Lowest Quarterly Increase in Rental Price	Houses in Ongata Rongai (-2.6% over last quarter)		
Segment with Highest Annual Increase in Rental Price	Apartments in Kitengela (+16.4% over last year)		
Segment with Lowest Annual Increase in Rental Price	Houses in Gigiri (-6.8% over last year)		

HassConsult today released the Hass Property price indices for the second quarter of 2022 showing property prices up 3.3 percent over the quarter – the third quarter in a row to post strong property price gains since 2016. This comes at a time of global inflationary pressures on supply inputs coupled with a renewed vigour in the property market after a few years of market constancy and global market stagnation.

HassConsult notes that developers will move to factor in the rate of inflation and losses from the weakening shilling that has seen the cost of building materials soar. Developers in areas with unestablished demand will be forced to absorb higher construction costs.

“Inflationary pressures on building materials will push up prices of newer housing units in areas backed by local demand while new build in competitive over supplied markets will see developers lose margins and therefore either reach for product value engineering or exit the market entirely,” said Sakina Hassanali, Head of Development Consulting and Research at HassConsult.

Rental pricing across the market told a similar story as overall asking prices increased by 1.1 percent, led by the apartments segment which posted a 2 percent price growth, outpacing the detached and semi-detached rental markets that have traditionally performed better than apartments.

“While inflationary trends have pushed rental pricing up, consumer purchasing power will be affected with real incomes reducing. Suburbs with insufficient housing supply will absorb the rental price rises as tenants lack suitable alternatives.” said Ms. Hassanali.

The net effect of property prices and rents jointly moving up is that the total property returns (capital gains and rental yields) are now up at **16.26 percent per annum**. These returns are superior to other asset classes and safer hedges against inflation.

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 Jul 2012	Quarter % Change	Annual % Change	Change From Jul 2012
Donholm	1.7 %	7.4 %	1.55 FOLD	1.0 %	4.3 %	1.42 FOLD
Gigiri	0.3 %	1.6 %	1.72 FOLD	-0.2 %	-6.8 %	1.19 FOLD
Karen	0.3 %	-0.1 %	1.90 FOLD	1.5 %	5.7 %	1.63 FOLD
Kileleshwa	0.5 %	1.2 %	1.78 FOLD	0.2 %	-1.2 %	1.76 FOLD
Kilimani	1.5 %	5.7 %	1.35 FOLD	-0.8 %	-2.3 %	1.54 FOLD
Kitisuru	2.6 %	7.3 %	2.13 FOLD	-0.4 %	-1.7 %	1.35 FOLD
Langata	5.3 %	12.5 %	2.33 FOLD	1.1 %	0.1 %	1.21 FOLD
Lavington	-0.2 %	3.0 %	1.85 FOLD	-0.1 %	-0.7 %	1.84 FOLD
Loresho	2.8 %	7.2 %	2.08 FOLD	1.6 %	5.3 %	1.43 FOLD
Muthaiga	1.8 %	-0.5 %	2.10 FOLD	-1.9 %	3.2 %	1.96 FOLD
Nyari Estate	1.2 %	5.1 %	1.77 FOLD	-1.0 %	-1.2 %	1.36 FOLD
Ridgeways	1.7 %	2.3 %	1.81 FOLD	0.3 %	6.1 %	1.55 FOLD
Runda	0.2 %	-2.4 %	1.73 FOLD	-0.4 %	-3.6 %	1.30 FOLD
Spring Valley	1.4 %	9.7 %	1.66 FOLD	0.5 %	2.3 %	1.27 FOLD
Westlands	2.5 %	7.9 %	2.04 FOLD	1.1 %	-3.2 %	1.71 FOLD

Apartment Price Trends By Suburb Nairobi

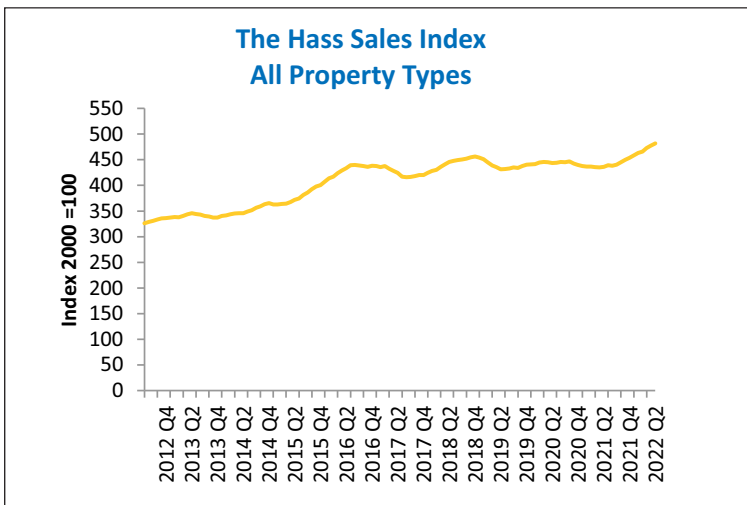
Nairobi Suburbs Property Index - Apartments	Sales Prices			Rental Prices		
	Quarter % Change	Annual % Change	Change From Jul 2012	Quarter % Change	Annual % Change	Change From Jul 2012
Kileleshwa	0.3 %	-9.1 %	1.00 FOLD	0.2 %	1.3 %	1.28 FOLD
Kilimani	-0.3 %	-5.0 %	0.94 FOLD	0.1 %	0.5 %	1.22 FOLD
Langata	2.0 %	1.9 %	1.31 FOLD	2.0 %	-4.3 %	1.57 FOLD
Lavington	0.2 %	-5.9 %	1.23 FOLD	0.7 %	0.6 %	1.17 FOLD
Parklands	1.9 %	5.0 %	1.51 FOLD	-0.7 %	1.5 %	1.98 FOLD
Riverside	3.1 %	6.2 %	1.59 FOLD	2.7 %	0.7 %	1.71 FOLD
Upperhill	0.5 %	0.3 %	1.51 FOLD	0.6 %	0.04 %	1.67 FOLD
Westlands	1.7 %	-3.4 %	1.36 FOLD	5.1 %	2.1 %	1.49 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 Jul 2012	Quarter % Change	Annual % Change	Change From Jul 2012
Athi River	-0.7 %	0.7 %	1.93 FOLD	2.1%	11.0 %	1.28 FOLD
Juja	0.6 %	-5.1 %	1.08 FOLD	1.7 %	6.7 %	1.82 FOLD
Kiambu	2.0 %	0.9 %	2.04 FOLD	-0.8 %	-1.1 %	1.47 FOLD
Kiserian	3.2 %	9.9 %	1.71 FOLD	-0.1 %	-0.3 %	1.66 FOLD
Kitengela	0.7 %	1.2 %	1.62 FOLD	2.0 %	-1.8%	1.45 FOLD
Limuru	1.3 %	1.2 %	1.97 FOLD	0.5 %	2.8 %	1.82 FOLD
Ngong	3.0 %	12.0 %	1.93 FOLD	1.1 %	8.5 %	2.41 FOLD
Ongata Rongai	3.4 %	13.0 %	1.97 FOLD	-2.6 %	-2.0 %	1.57 FOLD
Ruiru	1.2 %	5.4 %	1.98 FOLD	1.6 %	10.4 %	2.42 FOLD
Tigoni	-0.6 %	-3.5 %	1.47 FOLD	1.7 %	8.7 %	1.80 FOLD

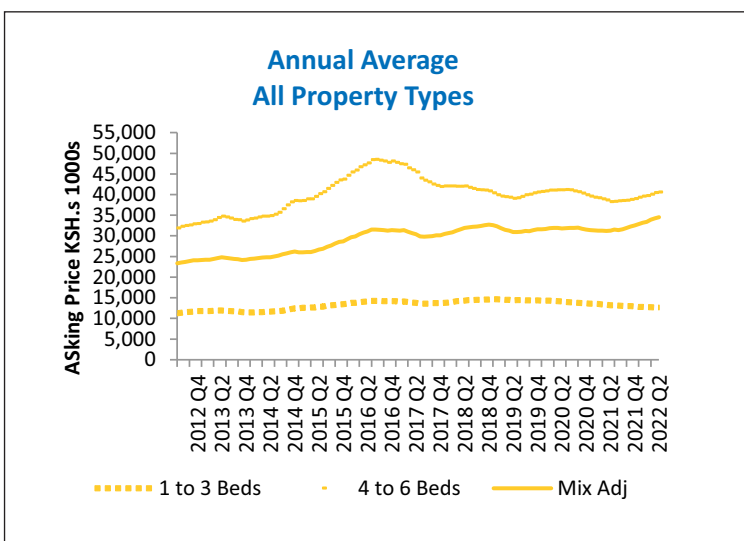
Apartment Price Trends By Town in Nairobi's Satellite Areas

Nairobi Satellite Property Index - Apartments	Sales Prices			Rental Prices		
	Quarter % Change	Annual % Change	Change From Jul 2012	Quarter % Change	Annual % Change	Change From Jul 2012
Athi River	-1.5 %	-1.7 %	1.37 FOLD	0.2 %	5.7%	1.20 FOLD
Kiambu	0.4 %	-5.2 %	1.76 FOLD	-1.9 %	-1.3 %	1.53 FOLD
Kitengela	-0.7 %	1.8 %	1.43 FOLD	1.2 %	16.4 %	1.51 FOLD
Mlolongo	0.3 %	5.5 %	1.35 FOLD	1.0 %	-0.3 %	1.40 FOLD
Ngong	0.3 %	4.7 %	2.03 FOLD	3.6%	9.8 %	2.03 FOLD
Ongata Rongai	0.6%	-3.5 %	1.08 FOLD	4.8 %	4.9 %	1.83 FOLD
Ruaka	-0.3 %	-3.9 %	1.48 FOLD	1.8 %	10.1 %	1.97 FOLD
Syokimau	0.4 %	-1.4 %	1.50 FOLD	1.0 %	3.6 %	1.36 FOLD
Thika	0.8 %	-2.2 %	1.19 FOLD	2.7 %	0.7 %	1.47 FOLD



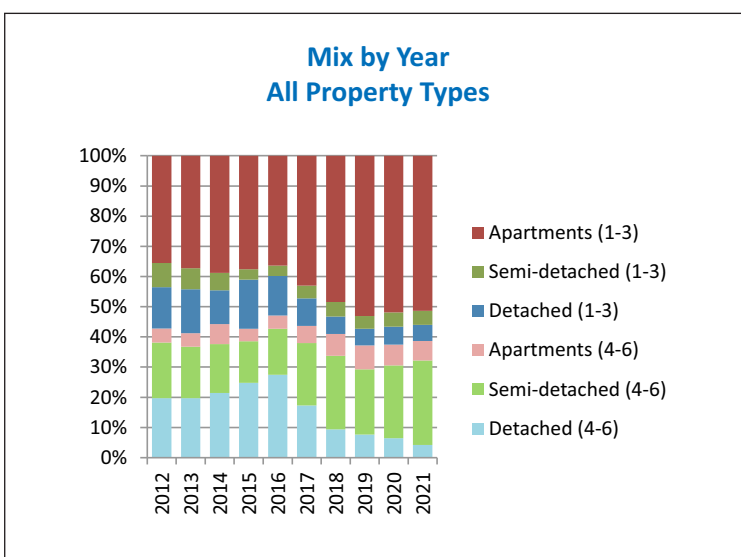
SNAP SHOTS:

- The Hass Composite Sales Index is representative of all properties for sale in Kenya.
- Property values have increased by 4.82 times since 2000.
- The index shows a property price rise of 0.86% in the last month, a rise of 3.34% in the last quarter and a 10.47% rise in the last year.



SNAP SHOTS:

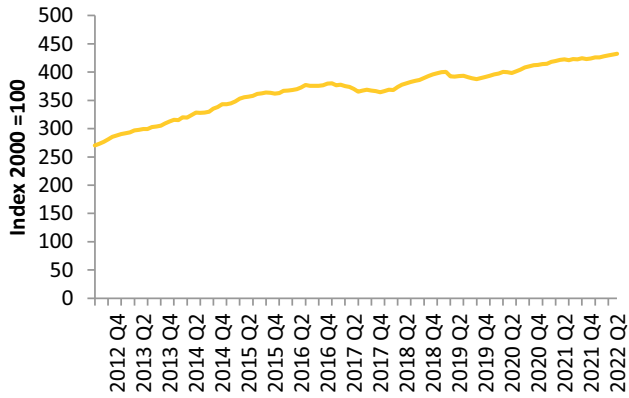
- The annual average is representative of the average price of all mid to upper class properties offered for sale in Kenya.
- The average value for a property has gone from 7.1 million in December 2000 to 34.5 million in June 2022.
- The average value for a 4-6 bedroom property is currently 40.6 million.
- The average value for a 1-3 bedroom property is currently 12.7 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 2021 however, Apartments took up 57.9% of the market, Semi-detached Houses took up 32.6% of the market and Detached Houses took up 9.5% of the market.

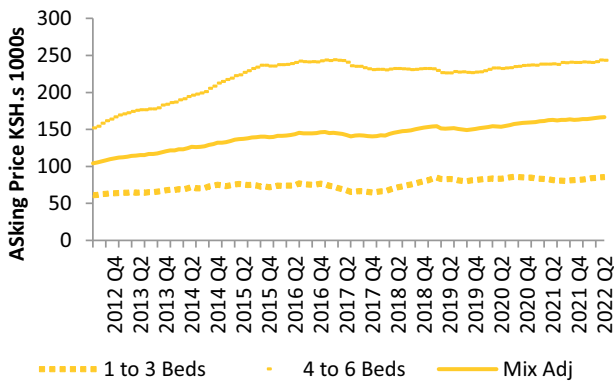
The Hass Rental Index All Property Types



SNAP SHOTS:

- The Hass Composite Letting Index is representative of all properties for rental in Kenya.
- Rents have increased by 4.33 fold since 2001.
- The index shows a property price rise of 0.32% in the last month, rise of 1.07% in the last quarter and have risen by 2.35% in the last year.

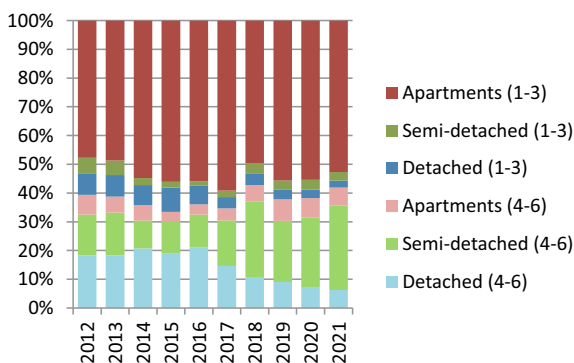
Annual Average All Property Types



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 Kshs. 166,567 in June 2022.
- The average rent for a 4-6 bedroom property is currently Kshs. 243,331.
- The average rent for a 1-3 bedroom property is currently Kshs. 85,582.

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 58.9% of the market, Semi-detached Houses took up 32.4% of the market and Detached Houses took up 8.7% of the market.