

Land Prices Resilient Despite Tough Economy as Developers Seek Value in Nairobi Satellite Towns

- Land prices in City suburbs grew by 1.3 percent in the first quarter, slowing down from 3.3 percent in the previous quarter.
- Average price per acre in the suburbs rises to KES 203.7 Million.
- In Satellite towns, quarterly growth remained resilient at 3.0 percent, driven by demand for affordable land by developers.
- Lavington and Spring Valley led price growth in suburbs, while Kiserian, Limuru and Ongata Rongai topped the satellite towns list.
- Price growth in the top satellite towns now poised to surpass returns available in government securities. .

Land Index Highlights:

The Hass Composite Land Index, Nairobi Suburbs	Quarter % Change	Annual % Change	Change From 2014
Nairobi-18 Composite Index Results	1.29%	4.99%	1.42 Fold
Suburb with Highest Quarterly Increase in Land Price	Land in Lavington (+4.03 % over last quarter)		
Suburb with Highest Annual Increase in Land Price	Land in Langata (+10.05 % over last year)		
Suburb with Lowest Quarterly Increase in Land Price	Land in Kileleshwa (-0.08 % over last quarter)		
Suburb with Lowest Annual Increase in Land Price	Land in Kileleshwa (-1.49 % over last year)		
The Hass Composite Land Index, Nairobi Satellite Towns	Quarter % Change	Annual % Change	Change From 2014
Nairobi Satellite-14 Composite Index Results	3.03%	11.16%	2.10 Fold
The Town with Highest Quarterly Increase in Land Price	Land in Kiserian (+9.41 % over last quarter)		
The Town with Highest Annual Increase in Land Price	Land in Ongata Rongai (+16.00 % over last year)		
The Town with Lowest Quarterly Increase in Land Price	Land in Thika (-2.45 % over last quarter)		
The Town with Lowest Annual Increase in Land Price	Land in Limuru (+4.85 % over last year)		

HassConsult has unveiled the Hass Land price index for the first quarter of 2024, showing that prices maintained an upward trajectory despite a tough economy and input costs for developers.

Land prices in the city's 18 suburbs rose by an average of 1.3 percent per acre in the first quarter of 2024, while in the satellite towns the price was up by an average of 3.03 percent.

On an annual basis, the price of an acre in the suburbs rose by 5 percent, while in the satellite towns it was up by 11.2 percent.

Lavington and Spring Valley were ahead of the queue in price growth among suburbs in the first quarter at 4 percent and 3.8 percent respectively, while Kileleshwa was the only one to record a price decline at a marginal -0.1 percent.

The average price per acre in suburbs is now at KES 203.7 million, having crossed the KES 200 million mark for the first time in the last quarter of 2023.

“The growth in prices across 17 of 18 suburbs, despite the slowdown in pace in the quarter compared to the last quarter of 2023, shows that the upper end of the market is sustaining demand,” said Ms. Sakina Hassanali, Head of Development, Consulting and Research at Hass Consult.

In the towns, Kiserian, Limuru and Ongata Rongai led quarterly price gains at 9.4 percent, 8.4 percent and 7.8 percent respectively.

“Satellite towns are driving the revival of land as a competitive asset class with the average annual growth of over 10 percent. With interest rates projected by the Central Bank of Kenya to fall in coming months, the stable price growth seen over the last two years should make land even more attractive as an asset,” she added.

Satellite towns are now poised to overtake government Treasury Bills in annual returns. On an annual basis, 9 out of 14 satellite towns made double digit price gains, led by Ongata Rongai at 16 percent.

Developers have also shown a preference for areas whose prices are lower than the satellite town average of KES 28.8 million, as they keep an eye on overall costs due to higher building input prices.

For more information, please contact:

Sakina Hassanali, Head of Development Consulting & Research

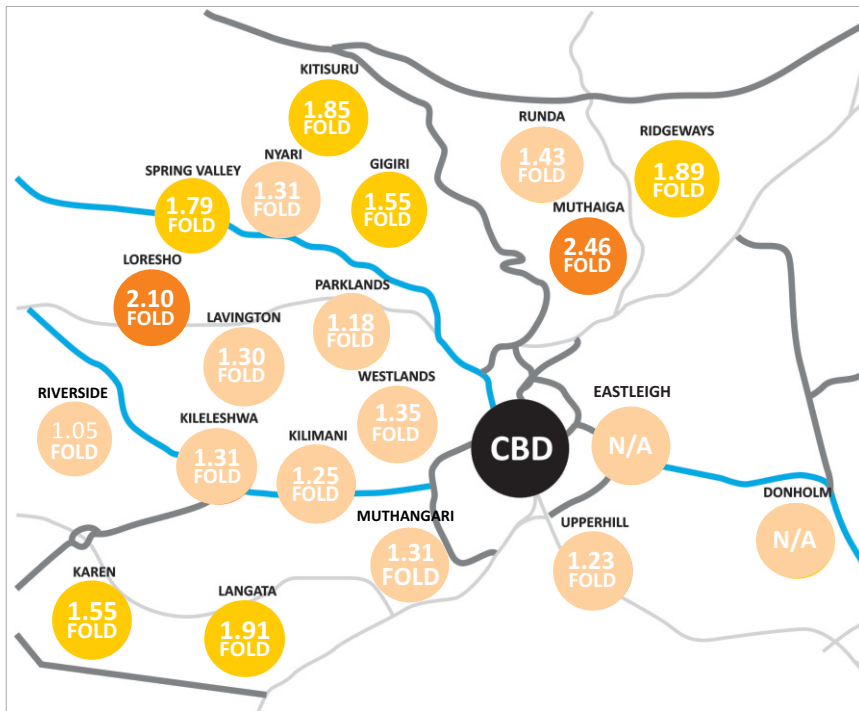
Nairobi Suburbs Land Index	Quarter % Change	Annual % Change	10 Year Change From Apr 2014	Average Value Per Acre (KES)	25 Percentile	75 Percentile
Gigiri	1.6 %	2.7 %	1.55 FOLD	239,900,000	188,300,000	300,000,000
Karen	1.0 %	2.0 %	1.55 FOLD	66,600,000	60,000,000	70,000,000
Kileleshwa	-0.1 %	-1.5 %	1.31 FOLD	291,600,000	250,000,000	333,300,000
Kilimani	0.2 %	1.4%	1.25 FOLD	403,200,000	352,500,000	440,000,000
Kitisuru	2.0 %	3.4 %	1.85 FOLD	98,200,000	80,000,000	114,000,000
Langata	2.7 %	10.1 %	1.91 FOLD	82,300,000	60,000,000	84,000,000
Lavington	4.0 %	4.4 %	1.30 FOLD	238,800,000	186,700,000	280,000,000
Loresho	2.6 %	9.3 %	2.10 FOLD	108,700,000	80,000,000	133,300,000
Muthaiga	0.7 %	6.4 %	2.46 FOLD	224,000,000	182,600,000	250,000,000
Muthangari	1.5 %	8.0 %	1.31 FOLD	376,100,000	315,800,000	410,800,000
Nyari	1.4 %	-0.4 %	1.31 FOLD	112,400,000	100,000,000	120,000,000
Parklands	1.0 %	1.1 %	1.18 FOLD	410,300,000	339,800,000	480,000,000
Ridgways	2.1 %	8.5 %	1.89 FOLD	89,000,000	79,600,000	94,000,000
Riverside	1.2 %	-0.7 %	1.05 FOLD	318,900,000	250,000,000	356,300,000
Runda	0.8 %	1.8 %	1.43 FOLD	90,200,000	76,000,000	102,000,000
Spring Valley	3.8 %	8.4 %	1.79 FOLD	251,400,000	166,700,000	357,100,000
Upperhill	0.6 %	-1.1 %	1.23 FOLD	480,900,000	398,700,000	521,700,000
Westlands	2.0 %	3.5 %	1.35 FOLD	465,800,000	378,400,000	531,900,000

Nairobi Satellite Town Land Index	Quarter % Change	Annual % Change	10 Year Change From Apr 2014	Average Value Per Acre (KES)	25 Percentile	75 Percentile
Athi River	3.3 %	7.7 %	1.97 FOLD	19,300,000	7,500,000	26,000,000
Juja	5.6 %	10.8 %	3.32 FOLD	20,900,000	9,600,000	25,600,000
Kiambu	1.4 %	8.2 %	1.76 FOLD	47,900,000	28,600,000	60,000,000
Kiserian	9.4 %	15.5 %	2.40 FOLD	11,200,000	5,100,000	14,400,000
Kitengela	3.8 %	13.1 %	2.48 FOLD	16,800,000	10,000,000	20,000,000
Limuru	8.4 %	4.9 %	1.91 FOLD	22,700,000	20,000,000	50,000,000
Mlolongo	5.4 %	15.0 %	1.53 FOLD	39,900,000	20,000,000	50,000,000
Ngong	-0.1 %	14.2%	2.29 FOLD	34,900,000	20,000,000	48,000,000
Ongata Rongai	7.8 %	16.0 %	1.79 FOLD	27,400,000	12,000,000	36,000,000
Ruaka	5.2 %	9.3 %	2.11 FOLD	107,400,000	70,000,000	144,000,000
Ruiru	2.9 %	10.7 %	2.25 FOLD	31,600,000	17,700,000	38,400,000
Syokimau	3.1 %	15.8 %	2.12 FOLD	33,700,000	25,000,000	37,500,000
Thika	-2.5 %	11.0 %	1.96 FOLD	26,500,000	15,200,000	31,700,000
Tigoni	0.5 %	7.7 %	1.95 FOLD	31,900,000	23,200,000	36,000,000

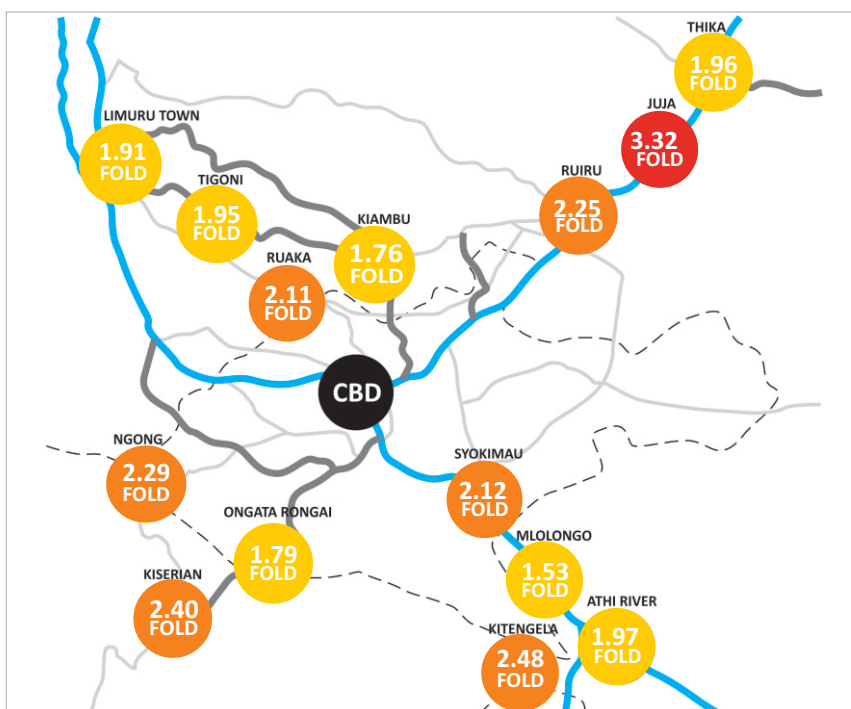
*Price Values rounded to nearest Kshs. 100,000

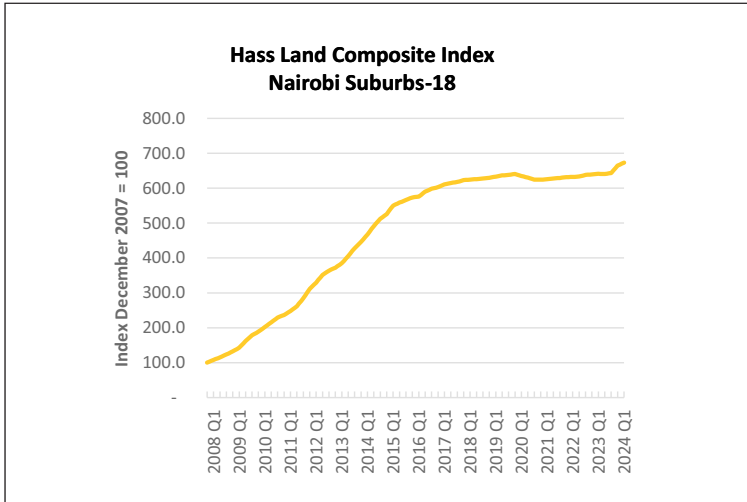
Land Index Heat Maps

Nairobi-18 Suburbs Change in Prices Since Apr 2014



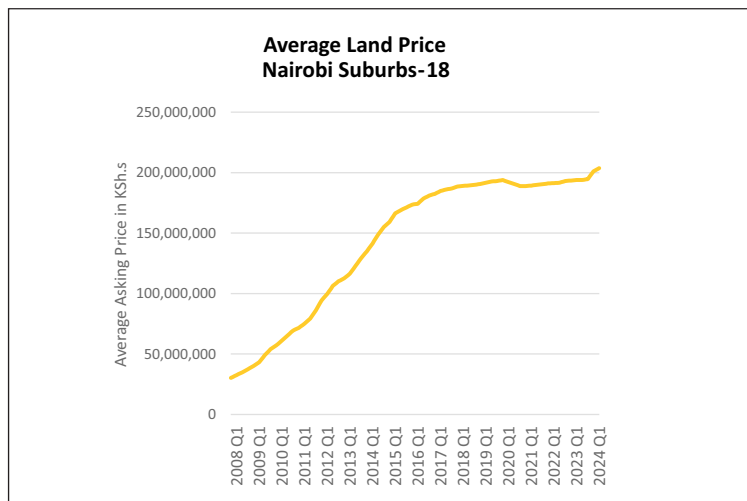
Nairobi-14 Satellite Towns Change in Prices Since Apr 2014





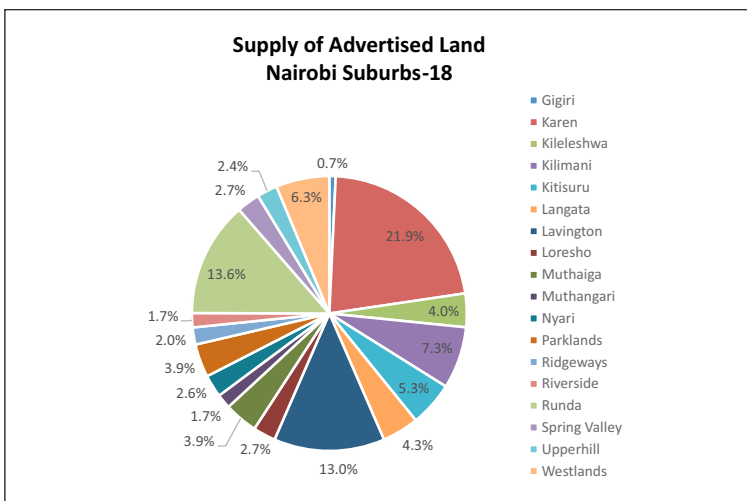
SNAP SHOTS:

- The Nairobi Suburbs-18 Land Index is representative of Land for Sale in Nairobi covering 18 highest activity suburbs.
- Land values have increased by 6.73 fold since December 2007.



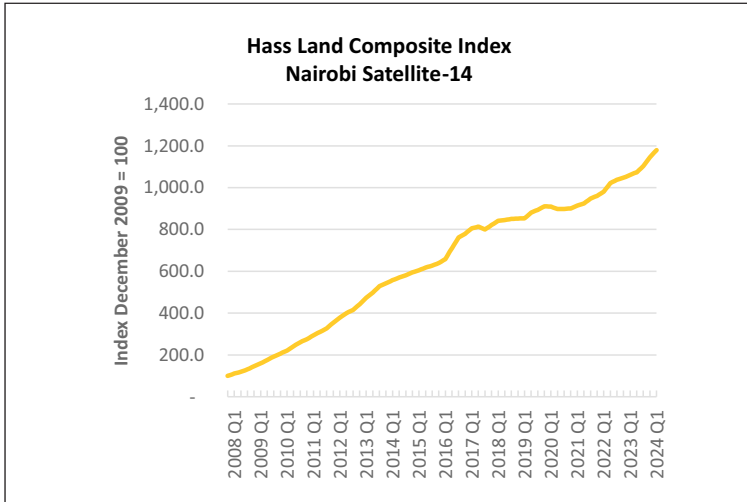
SNAP SHOTS:

- The annual average is representative of the average price of land for sale in Nairobi covering 18 highest activity suburbs.
- The average value for land has gone from 30.3 million in December 2007 to 203.7 million in March 2024.



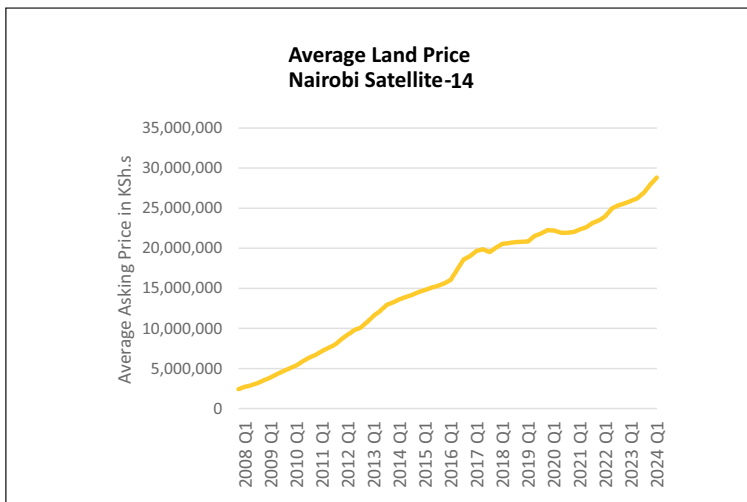
SNAP SHOTS:

- The Mix is a measure of the percentage that each suburb represents in the market for 18 Nairobi suburbs.
- Land in Gigiri took up 0.7% of the market, Karen 21.9%, Kileleshwa 4.0%, Kilimani 7.3%, Kitisuru 5.3%, Langata 4.3%, Lavington 13.0%, Loresho 2.7%, Muthaiga 3.9%, Muthangari 1.7%, Nyari 2.6%, Parklands 3.9%, Ridgeways 2.0%, Riverside 13.6%, Runda 1.7%, Spring Valley 2.7%, Upperhill 2.4% and Westlands 6.3% respectively.



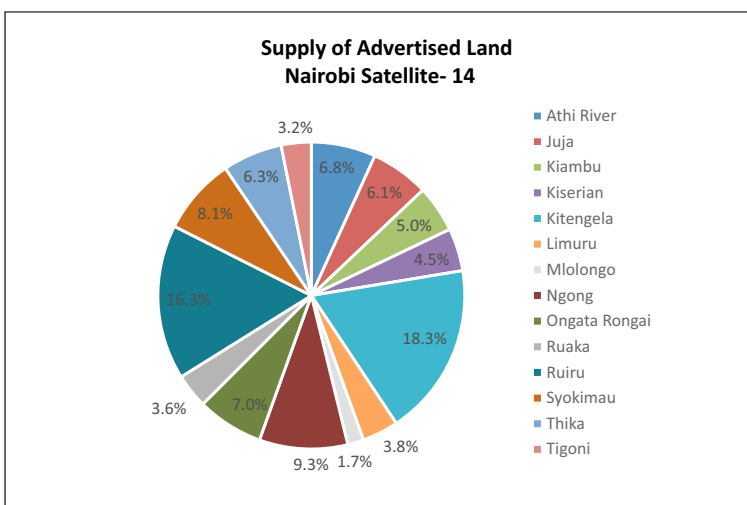
SNAP SHOTS:

- The Nairobi Satellite-14 Land Index is representative of Land for Sale in 14 Satellite towns outside Nairobi suburbs.
- Land values have increased by 11.79 fold since December 2007.



SNAP SHOTS:

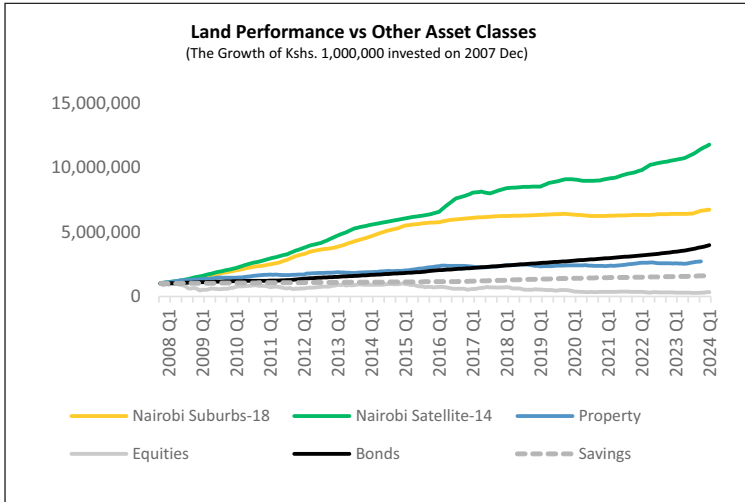
- The annual average is representative of the average price of land for sale in outside Nairobi covering 14 highest activity Satellite towns.
- The average value for land has gone from 2.4 million in December 2007 to 28.8 million in March 2024.



SNAP SHOTS:

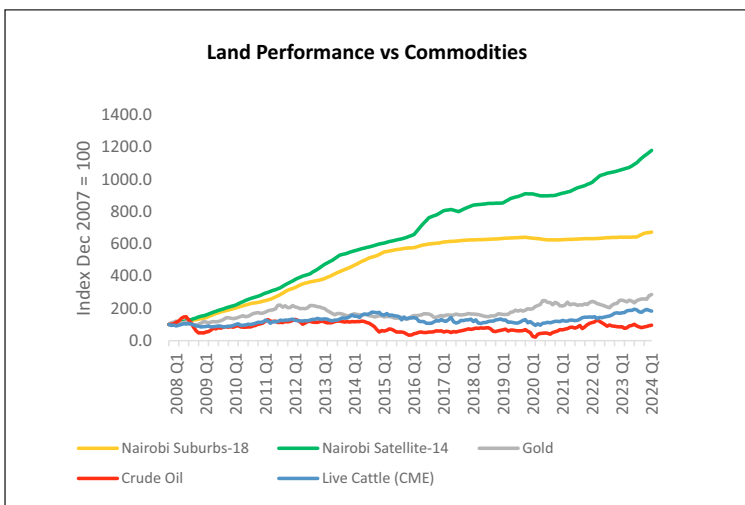
- The Mix is a measure of the percentage that each town represents in the market for the Nairobi 14 Satellite towns.
- Land in Athi River took up 6.8% of the market, Juja took up 6.1%, Kiambu 5.0%, Kiserian 4.5%, Kitengela 18.3%, Limuru 3.8%, Mlolongo 1.7%, Ngong 9.3%, Ongata Rongai 7.0%, Ruaka 3.6%, Ruiru 16.3%, Syokimau 8.1%, Thika 6.3% and Tigoni 3.2% respectively.

Land as an Investment



SNAP SHOTS:

Ksh. 1 Million invested at the end of 2007 would have been worth KES. 11.79M if invested in land in Nairobi Satellite-14, KES. 6.73M if invested in land in Nairobi Suburbs-18, KES. 2.71M if invested in property (The Hass Sales Composite Index, All Properties), KES. 3.97M if invested in bonds and KES. 1.59M if invested in savings and only KES. 0.32M if invested in Equities.



SNAP SHOTS:

The Hass Land Composite Index, Nairobi Satellite-14 index value was 1179.2 outperforming Nairobi Suburbs-18 which had an index value of 673.2, Gold 285.7, Live Cattle (CME) 183.4 and Crude Oil worst performing with only 95.0 index value.