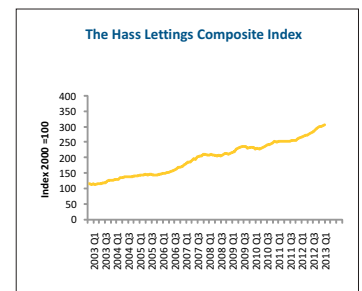
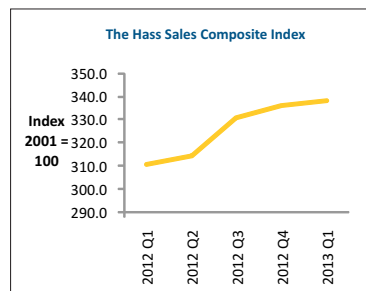


## Property market hesitates in election run-up

- House prices were almost static in the first quarter of 2013
- Only stand-alone houses saw some rise, up 1.2 per cent across the three months.
- Town houses recorded some falls in prices, by 1.5 per cent.
- Apartments also recorded a 0.2 per cent decline.
- Rents continued to surge as the quarter opened, but by March were also slowing
- Town house rents jumped the most sharply in Q1, up 3.8 per cent, to make for a 14.8 per cent rise on a year earlier
- Standalone rents also rose relatively strongly, by 2.1 per cent from December to March.
- But apartment rents were largely stagnant, up just 0.2 per cent in Q1

### Index Highlights:

#### SALES AND LETTINGS COMPOSITE INDEX YEAR TO Q1



HEADLINES - HASS COMPOSITE SALES INDEX	% Change in Quarter	% Change in Year
All Properties	0.5%	8.9%
Stand Alone Houses	1.2%	9.9%
Townhouses	-1.5%	1.0%
Apartments	0.2%	5.4%

\* The Hass Composite Sales Index is a measure of asking sales prices, based on Mix Adjusted Methodology.

HEADLINES - HASS COMPOSITE LETTINGS INDEX	% Change in Quarter	% Change in Year
All Properties	1.9%	12.9%
Stand Alone Houses	2.1%	14.2%
Townhouses	3.8%	14.8%
Apartments	0.2%	9.3%

\* The Hass Composite Lettings Index is a measure of asking sales prices, based on Mix Adjusted Methodology.

Hass Consult today revealed a slowdown in the housing market in the first quarter as purchasers held off in concluding house moves during the election, resulting in house prices as reflected in the Hass Composite property price index remain largely static.

The Hass composite, which indexes housing prices from all published and formal sector sources, recorded a 0.5 per cent increase in house prices, driven by some continuing movement in the prices for standalone houses, but offset by marginal declines in the asking prices for town houses and apartments.

The number of completions were relatively low in the first quarter, when compared with the quarterly activity of the last decade, but were significantly higher than in the first quarters of 2011 and 2012, revealing an underlying strengthening in the sales market.

In a buying cycle that typically gains momentum in the second and third quarters of the year, the volume of new business and viewings also rose sharply from January to March, suggesting an ongoing revival of activity following interest rate cuts and ahead of the election.

“The election, which represented perhaps the biggest concern for investors of any event in Kenya for the last five years, has created some pent up demand, as investors have held off awaiting the outcome,” said Ms Sakina Hassanali, Head of Research and Marketing at Hass Consult.

“However, with fears focused on a direct line impact on the Kenyan economy - which like the elections of 2007 had the potential to leave a long tail of suppressed growth - buyers began to position themselves for swift purchasing ahead of further price rises in the event, as happened, that the election passed peacefully,” said Ms Hassanali.

The rentals market also slowed down as the elections got into full swing, with asking prices for rentals rising by 1.9 per cent on the previous quarter, where they had surged 4.4 per cent on the three months earlier in both the third and fourth quarters of 2012.

“The rental market is yet set to see further price rises, despite limited disposable income among consumers, who currently pay a far higher proportion of their incomes in rent than is the norm globally.”

“The push is coming as expensive mortgages tie potential buyers into renting, amid some tightening of rental supplies, and with landlords seeking better returns after almost two years of relative losses,” said Ms Hassanali.

**For more information contact:**

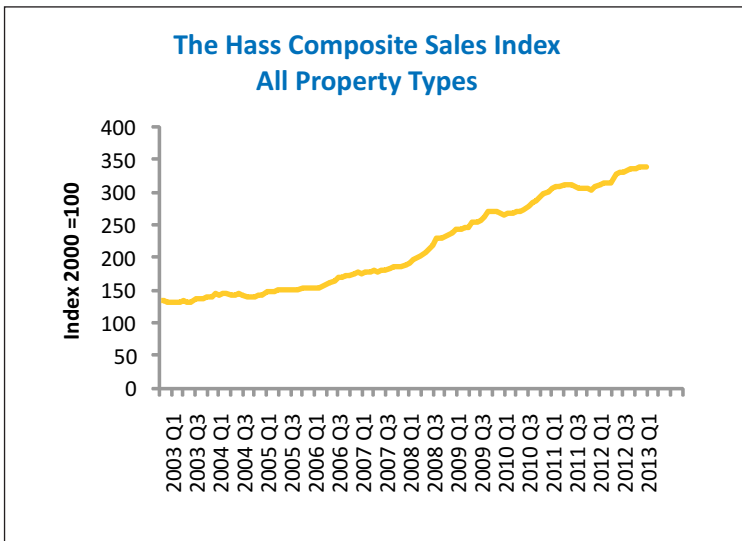
Sakina Hassanali

Head of Research & Marketing

ABC Place Waiyaki Way

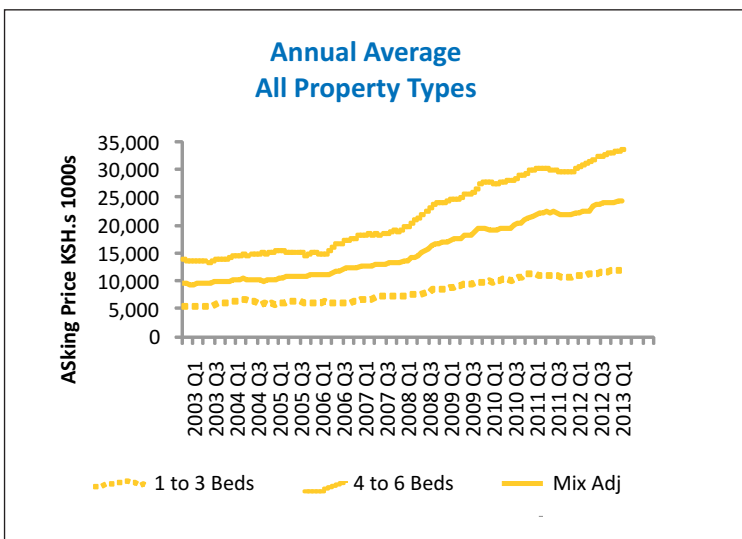
P.O. Box 14090 - 00800 Nairobi Kenya

T: +254 20 4446914



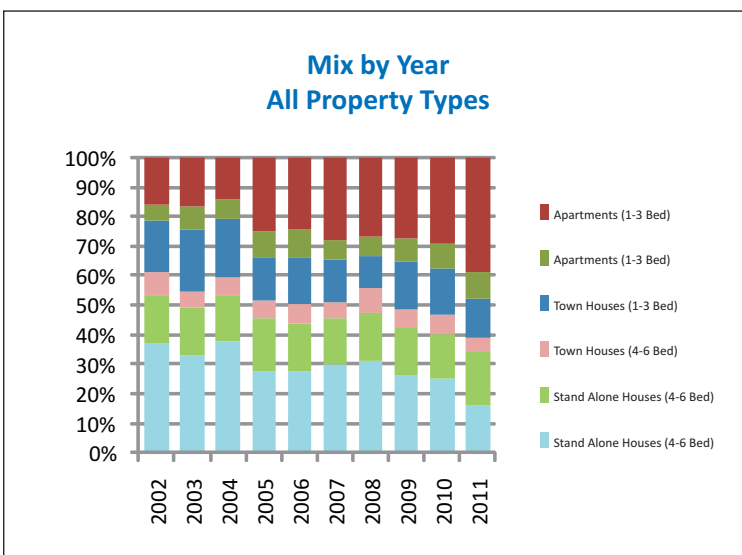
#### SNAP SHOTS:

- The Hass Composite sales Index is representative of all property for sale in Kenya
- Property values have increased by 3.38 times since 2000
- The index shows a property price rise of 0.5% in the last quarter and a 8.9% rise in the last year.



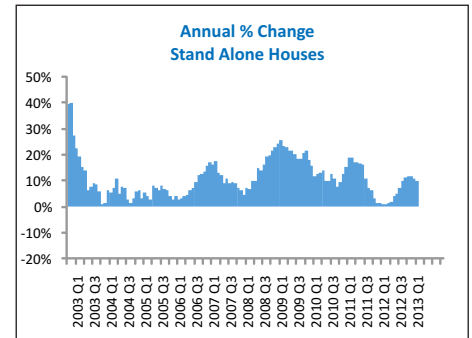
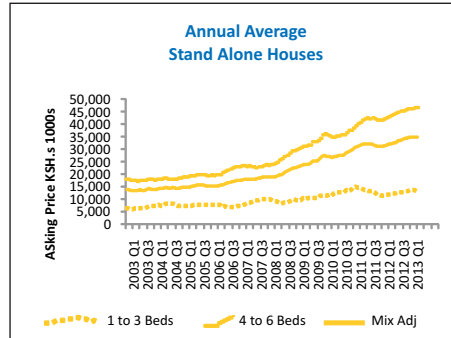
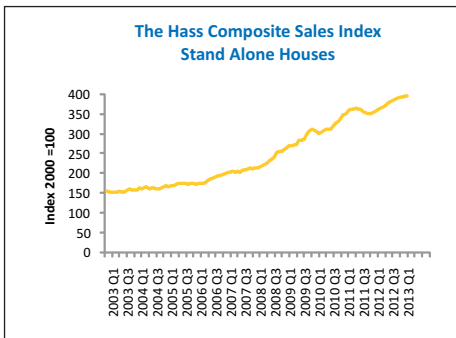
#### SNAP SHOTS:

- The annual average is representative of the average price of all properties offered for sale in Kenya
- The average value for a property has gone from 7.1 million in December 2000 to 24.1 million in December 2012
- The average value for a 4-6 bedroom property is currently 33.6 million
- The average value for a 1-3 bedroom property is currently 11.8 million



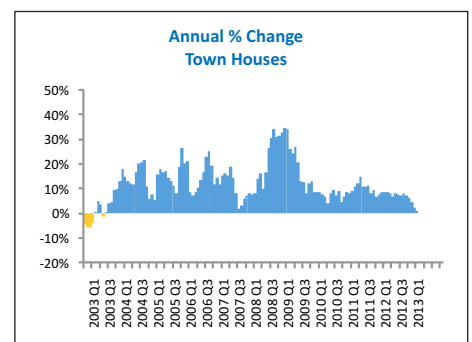
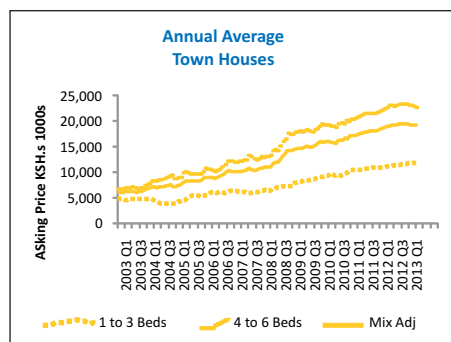
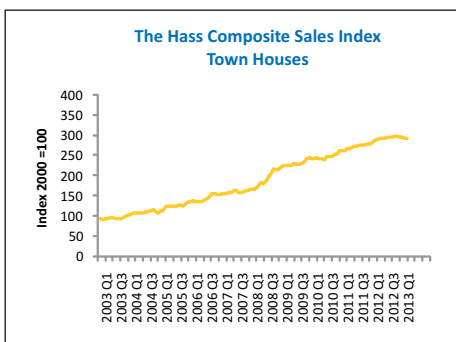
#### SNAP SHOTS:

- 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, Town Houses took up 24.5% of the market and Stand alone houses took up 52% of the market
- In 2013 however, apartments took up 40.1% of the market, Town Houses took up 26.9% of the market and Stand alone houses took up 33.4% of the market



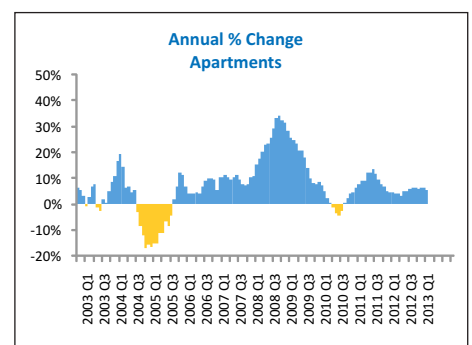
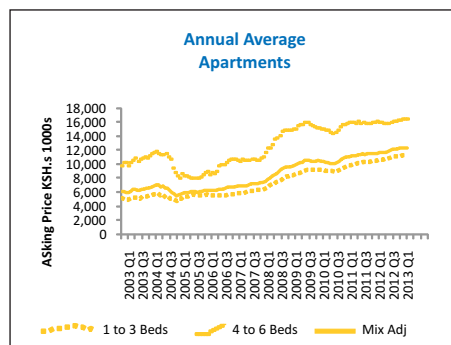
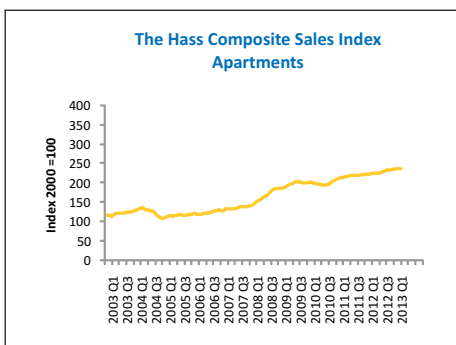
**SNAP SHOTS:**

- Stand Alone houses include houses, bungalows, cottages and villas either on their own plot or in a gated community.
- Property values for stand alone houses have increased by 3.97 times since 2001, a 1.2% rise in the last quarter and a 9.9% rise in the last year. The average price for a stand alone house is currently 34.9 million up from 8.8 million in December 2000.



**SNAP SHOTS:**

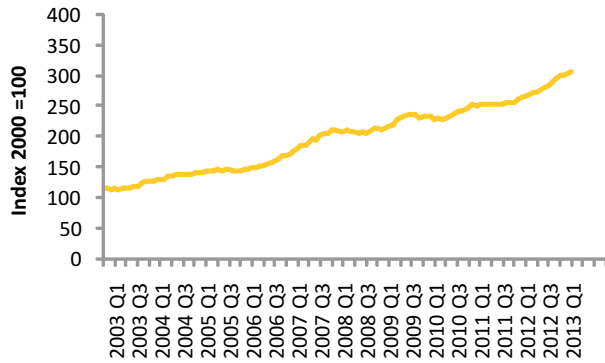
- Town houses include townhouses and maisonettes that are semi-detached or terraced.
- Property values for town houses have increased by 2.91 times since 2001, a 1.5% fall in the last quarter and a 1.0% rise in the last year. The average price for a town house is currently 19.0 million up from 6.5 million in December 2000.



**SNAP SHOTS:**

- Apartments include apartments, duplexes and triplexes.
- Property values for apartments have increased by 2.35 times since 2001, a 0.2% rise in the last quarter and an 5.4% rise in the last year. The average price for an apartment is currently 12.3 million up from 5.2 million in December 2000.

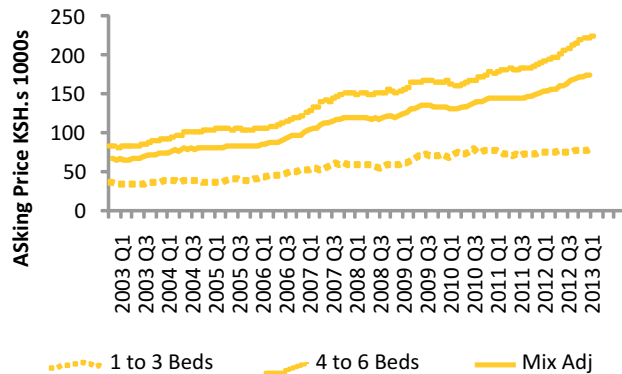
**The Hass Composite Lettings Index  
All Property Types**



**SNAP SHOTS:**

- The Hass Composite Letting Index is representative of all property for rental in Kenya
- Rents have increased by 2.94 times since 2001
- The index shows rents have risen by 1.9% in the last quarter but have risen by 12.9% in the last year

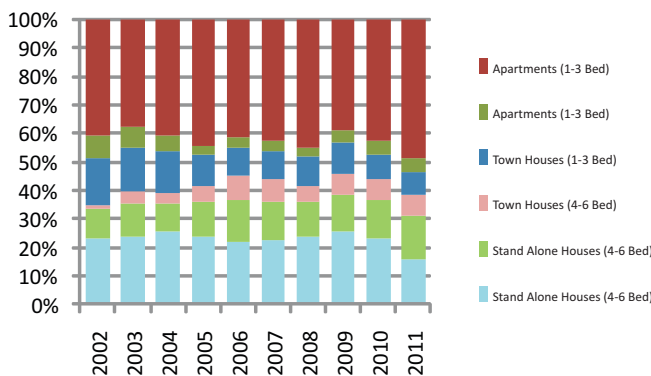
**Annual Average  
All Property Types**



**SNAP SHOTS:**

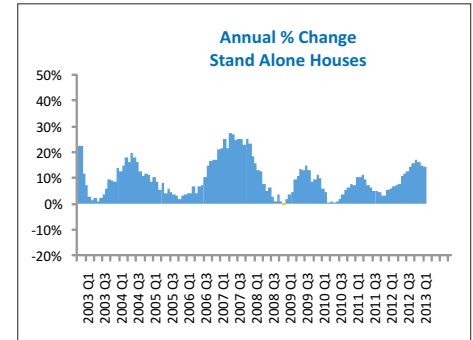
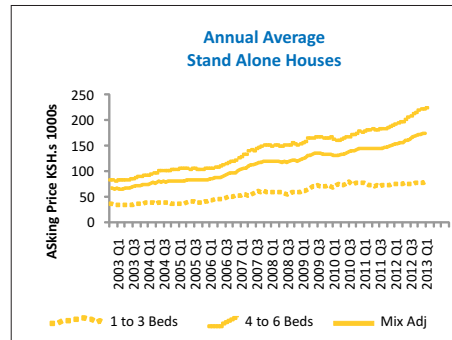
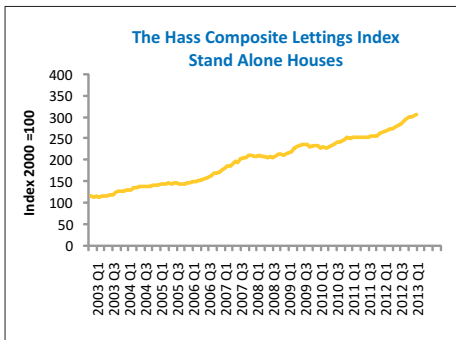
- The annual average is representative of the average rent of all properties offered to let in Kenya.
- The average rental for a property has gone from Kshs. 38,516 in December 2000 to Kshs. in March 2013
- The average rent for a 4-6 bedroom property is currently Kshs. 172,485
- The average rent for a 1-3 bedroom property is currently Kshs. 64,496

**Mix by Year  
All Property Types**



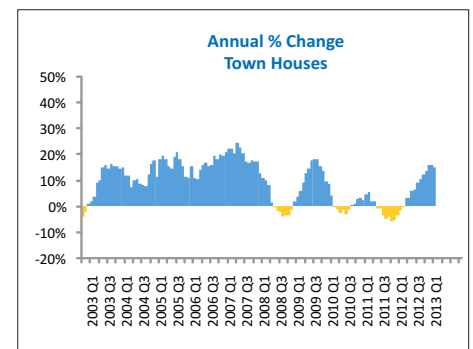
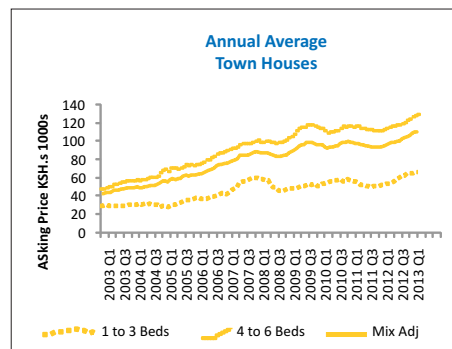
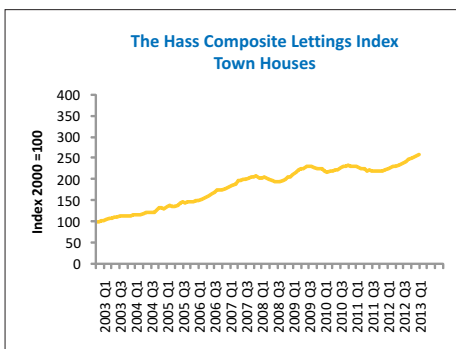
**SNAP SHOTS:**

- 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, Town Houses took up 20.5% of the market and Stand alone houses took up 34.1% of the market
- In 2012 however, apartments took up 54.5% of the market, Town Houses took up 19.6% of the market and Stand alone houses took up 25.8% of the market



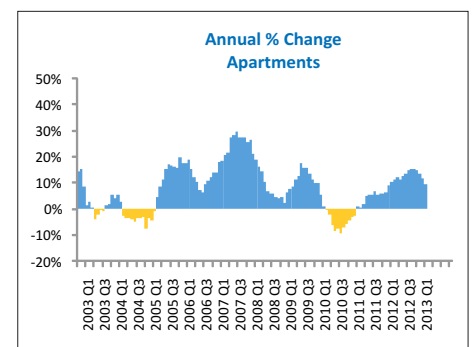
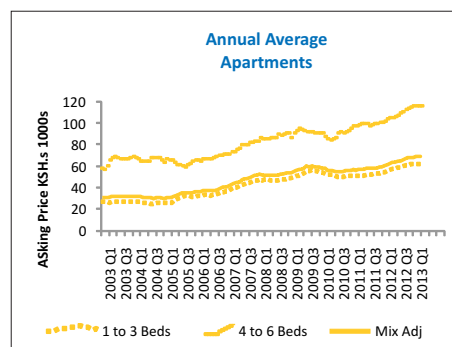
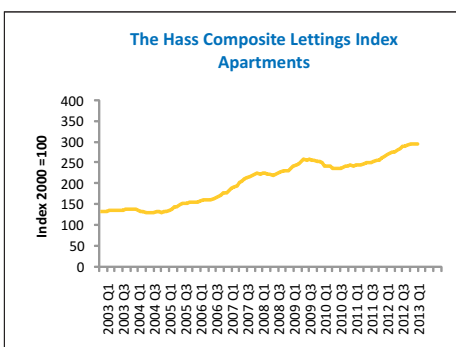
**SNAP SHOTS:**

- Stand Alone houses include houses, bungalows, cottages and villas either on their own plot or in a gated community.
- Rental values for stand alone houses have increased by 3.05 times since 2001, a 2.1% rise in the last quarter and a 14.2% rise in the last year. The average rental for a stand alone house is currently Kshs. 174,111 up from Kshs. 56,959 in December 2000.



**SNAP SHOTS:**

- Town houses include townhouses and maisonettes that are semi-detached or terraced.
- Rental values for town houses have increased by 2.58 times since 2001, a 3.8% rise in the last quarter and a 14.8% rise in the last year. The average rental for a town house is currently Kshs. 110,198 up from Kshs. 42,688 in December 2000.



**SNAP SHOTS:**

- Apartments include apartments, duplexes and triplexes.
- Rental values for apartments have increased by 2.95 times since 2001, 0.2% rise in the last quarter and a 9.3% rise in the last year. The average rent for an apartment is currently Kshs. 68,528 up from Kshs. 21,638 in December 2000.