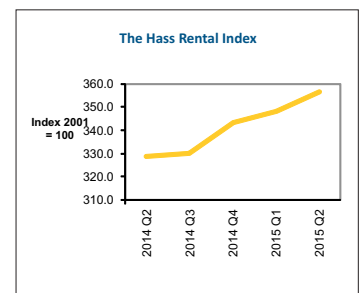
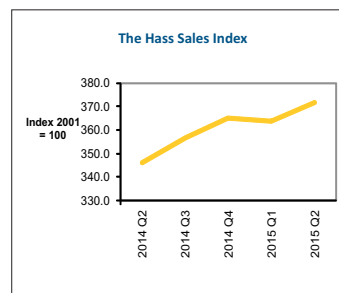


Analysts caution higher lending rate may affect renewed up-cycle of property prices

- House sales prices bounced back in Q2 after the dip of the first quarter of 2015. Asking prices rose 2.2 per cent in all properties in the 2015 second quarter, with marginal rise in detached house segment
- Analysts caution that the recent decision to increase the Central Bank Rate (CBR), for the first time in almost four years by 3 points, may negatively affect price growth trends in the first half of 2016. Historically high lending rates have led to market stagnation and a rise in demand for rental property
- Rent accelerated by 2.4 per cent in the quarter across all segments. Rents for semi-detached houses rose more sharply, up 7.8 per cent. Apartments and detached houses recorded a 1.1 and 1.2 per cent increase in rents respectively
- Owners of semi-detached houses continue to earn the highest rental yields, capped at 7.96 per cent by the end of June 2015.

Index Highlights:

SALES AND RENTAL INDEX YEAR TO Q2



| HEADLINES - HASS SALES INDEX | % Change in Quarter | % Change in Year |
|------------------------------|---------------------|------------------|
| All Properties | 2.2% | 7.5% |
| Detached Houses | 0.6% | 4.1% |
| Semi-detached Houses | 4.8% | 11.7% |
| Apartments | 5.1% | 16.5% |

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

| HEADLINES - HASS RENTAL INDEX | % Change in Quarter | % Change in Year |
|-------------------------------|---------------------|------------------|
| All Properties | 2.4% | 8.5% |
| Detached Houses | 1.2% | 7.4% |
| Semi-detached Houses | 7.8% | 14.9% |
| Apartments | 1.1% | 6.3% |

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

Nairobi, 9th July 2015: HassConsult today unveiled the results of its second quarter property price indices, revealing a take-off in asking prices for properties, increased let prices, and a renewal of the high returns on investment in the Kenyan housing market.

The rise in property sales prices had been slow, overall, in the previous quarter - depressed by a 1.6 per cent drop in asking prices for detached houses - to generate an overall fall of 0.4 per cent across the property market.

“After a lull in the first quarter, the market has shown positive movements in the three months to June 2015. As a result of increased buyer activity, the property market is moving into a new period of take-off in sales prices, rents and investment returns,” said Ms Sakina Hassanali, Head of Research and Marketing at HassConsult.

Asking prices rose 2.2 percent in all properties in the 2015 second quarter. Semi-detached houses and apartments recorded the highest sales increase, by 4.8 per cent and 5.1 per cent respectively. The Hass Property Index reveals that the increase in buyer activity in the first quarter catapulted the surge in asking prices for all property, following increased enquiries and sales closures in the quarter.

HassConsult has expressed caution in awaiting the overall effect of the recent decision to implement two increases in recent weeks of the Central Bank Rate (CBR) amounting to 11.5 percent. This increase is the first one seen in nearly four years. Historically, property development and investment in lower cost areas and in lower cost housing developments has either stagnated or declined when lending rates have risen as the cost of lending is too high both for developers and for buyers.

“Development Dollars were routed to high end property investments during the times of high lending rates,” said Ms. Hassanali, “as interest costs were prohibitive for lower cost housing buyers and this in turn saw a rise in demand for rental property and a subsequent increase in rental prices.”

“Rents in semi-detached houses rose by 7.8 per cent in the last three months, in what is a steep and continuous upward trend. However, asking rents in apartments had a marginal growth of 1.1 per cent while detached houses recorded a positive growth of 1.2 per cent in the second quarter,” said Ms Hassanali.

“Landlords are currently earning over 23 per cent returns annually on let apartments in the year ending June 2015 – which is the highest in the category since August 2009. Likewise semi-detached and detached houses have recorded the highest returns since 2011 of 19.7 per cent and 10.8 per cent respectively,” said Ms Hassanali.

The Hass composite house price index is based on 6500 property price records per quarter. Over the five years since its launch has tracked more than 110,000 house price records from across Kenya.

For more information, please contact:

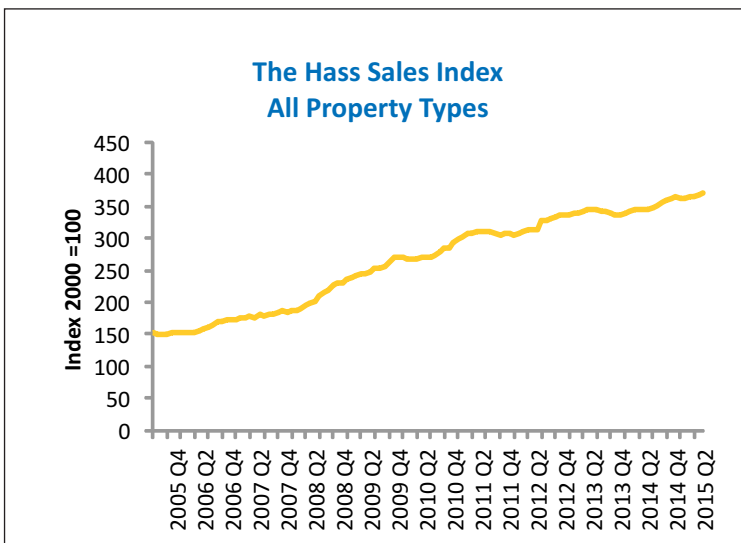
Sakina Hassanali

Head of Research & Marketing

HassConsult Ltd

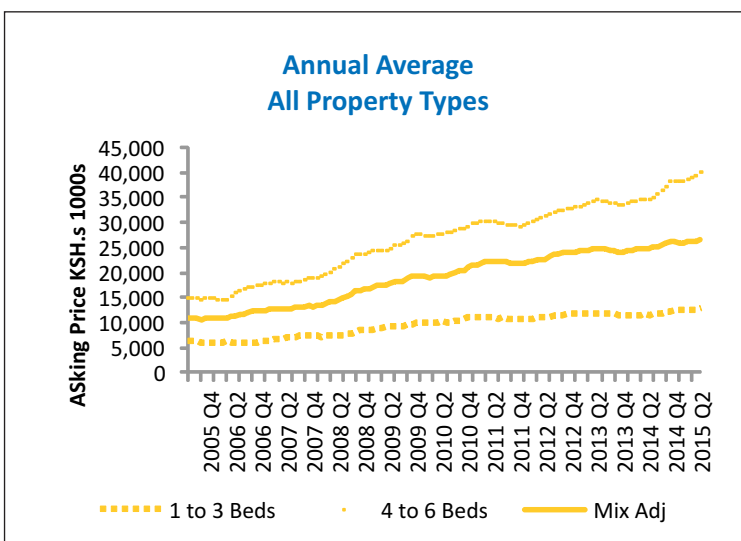
ABC Place, Westlands

Tel: +254 020 4446914



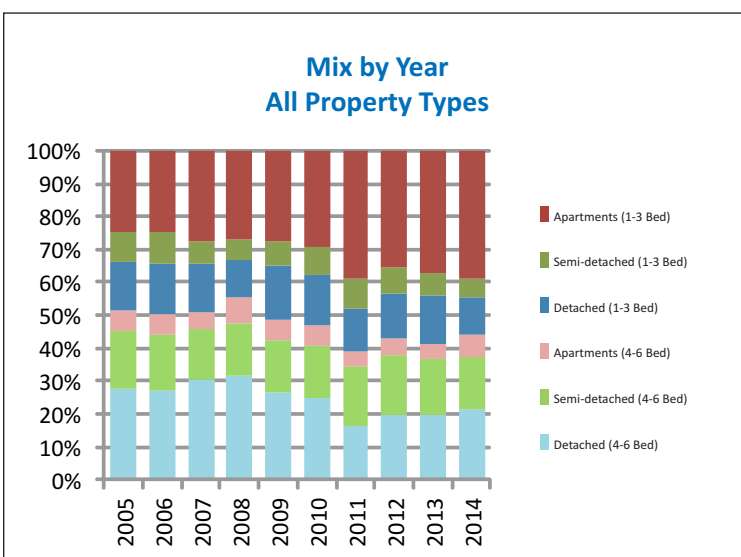
SNAP SHOTS:

- The Hass Composite sales Index is representative of all property for sale in Kenya
- Property values have increased by 3.72 times since 2000.
- The index shows a property price rise of 2.2% in the last quarter and a 7.5% rise in the last year.



SNAP SHOTS:

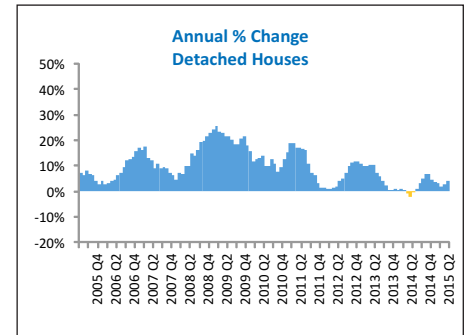
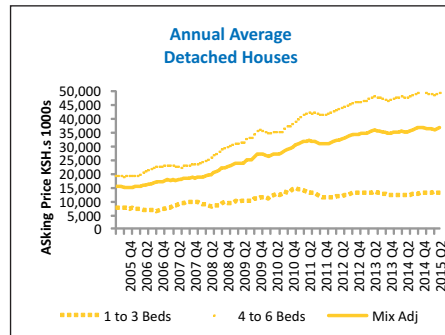
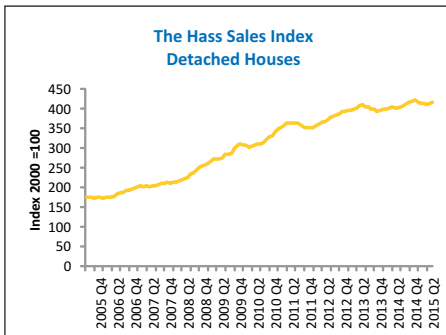
- The annual average is representative of the average price of all properties offered for sale in Kenya.
- The average value for a property has gone from 7.1 million in December 2000 to 26.7 million in June 2015.
- The average value for a 4-6 bedroom property is currently 40.2 million.
- The average value for a 1-3 bedroom property is currently 12.9 million.



SNAP SHOTS:

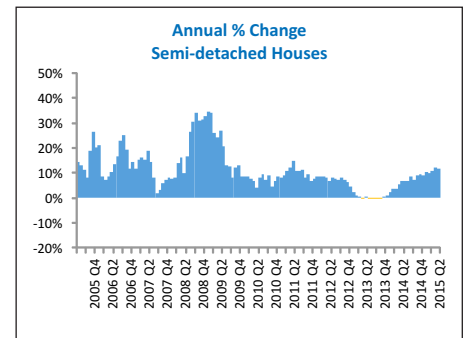
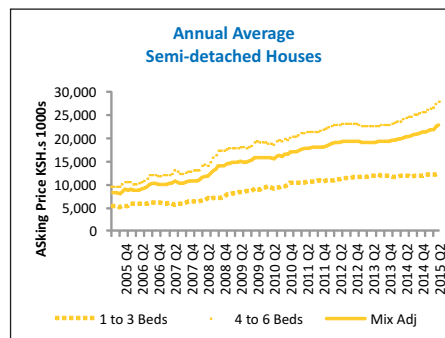
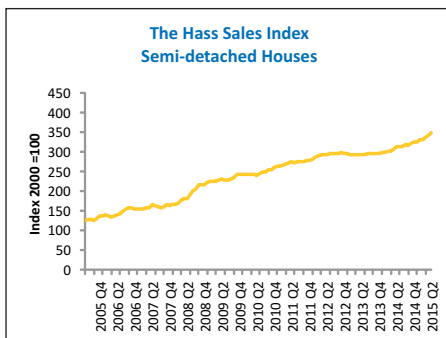
- The Mix by Year is a measure of the percentage that each type of property represents in the market.
- In 2001, apartments took up 23.5% of the market, semi-detached took up 24.5% of the market and detached houses took up 52% of the market.
- In June 2015 however, Apartments took up 45.4% of the market, Semi-detached Houses took up 21.9% of the market and Detached Houses took up 32.7% of the market.

Breakdown of 10 years data by Year



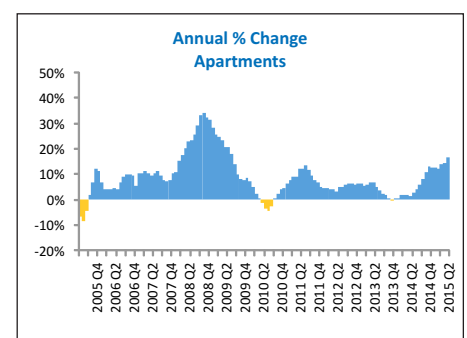
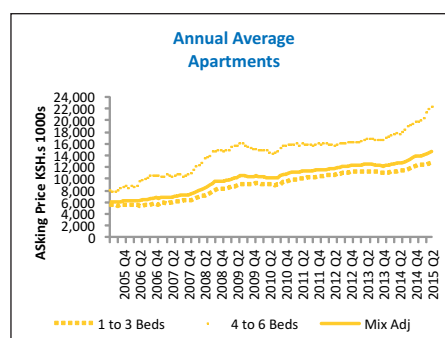
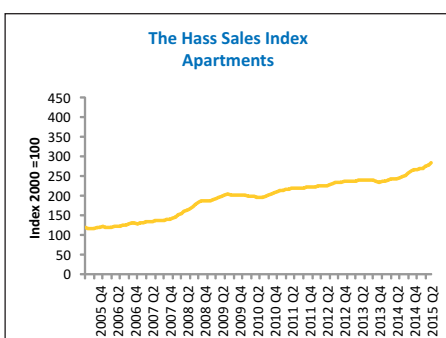
SNAP SHOTS:

- Detached houses include stand alone houses, bungalows, cottages and villas either on their own plot or in a gated community.
- Property values for Detached Houses have increased by 4.16 times since 2001, a 0.6% rise in the last quarter and a 4.1% rise in the last year. The average price for a Detached House is currently 36.6 million up from 8.8 million in December 2000.



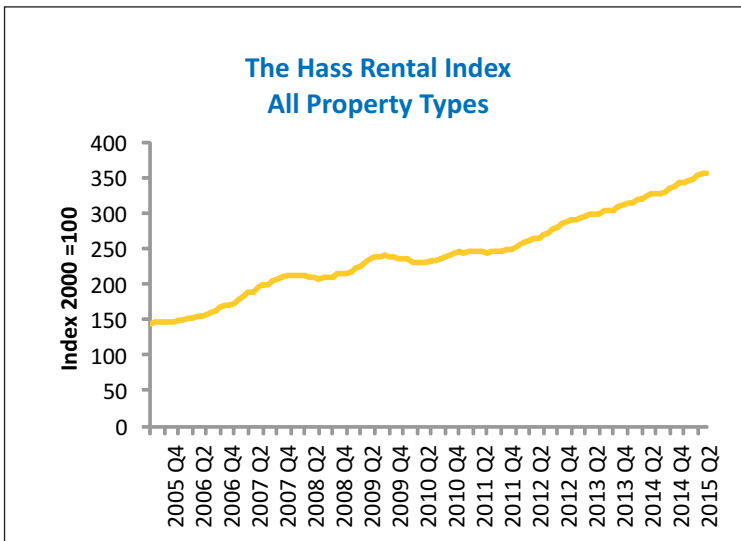
SNAP SHOTS:

- Semi-detached houses include townhouses and maisonettes that are semi-detached or terraced.
- Property values for Semi-detached Houses have increased by 3.48 times since 2001, a 4.8% rise in the last quarter and 11.7% rise in the last year. The average price for a semi-detached house is currently 22.8 million up from 6.5 million in Dec 2000.



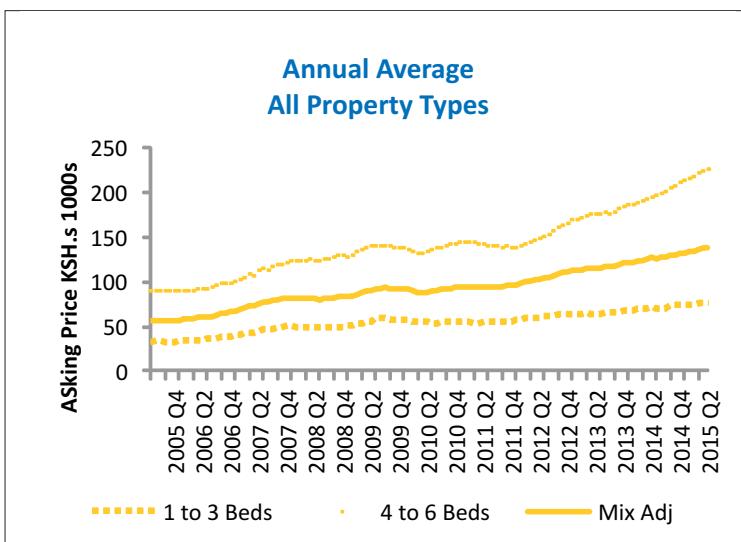
SNAP SHOTS:

- Apartments include apartments, duplexes and triplexes.
- Property values for Apartments have increased by 2.83 times since 2001, a 5.1% rise in the last quarter and an 16.5% rise in the last year. The average price for an Apartment is currently 14.75 million up from 5.2 million in December 2000.



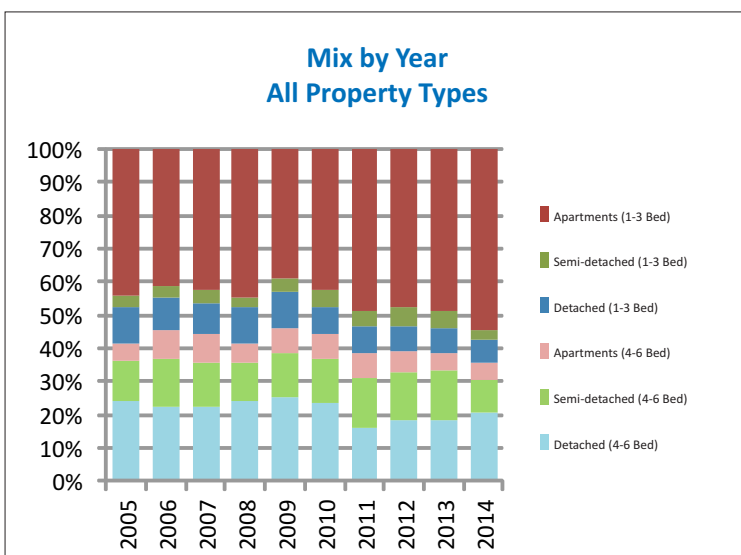
SNAP SHOTS:

- The Hass Composite Letting Index is representative of all property for rental in Kenya
- Rents have increased by 3.57 times since 2001
- The index shows rents have risen by 2.4% in the last quarter and have risen by 8.5% in the last year.



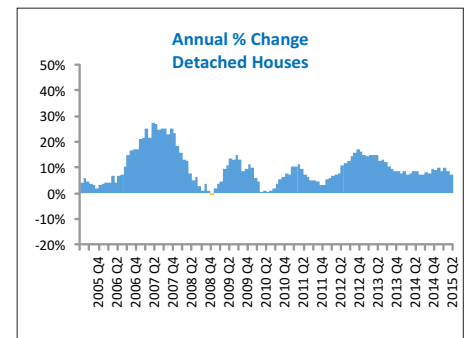
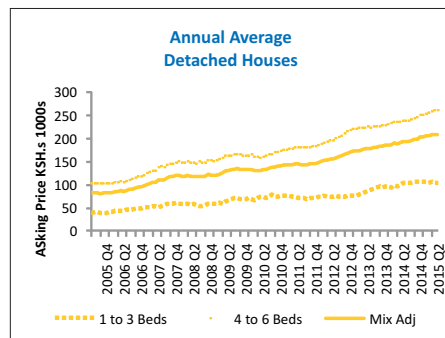
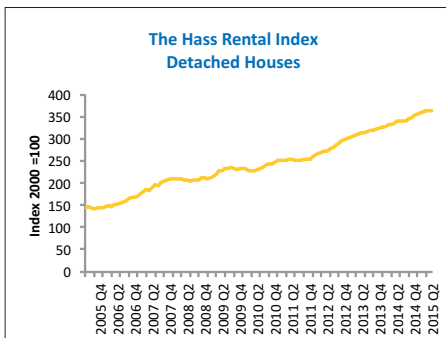
SNAP SHOTS:

- 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 137,311 in June 2015.
- The average rent for a 4-6 bedroom property is currently Kshs. 222,685
- The average rent for a 1-3 bedroom property is currently Kshs. 75,531



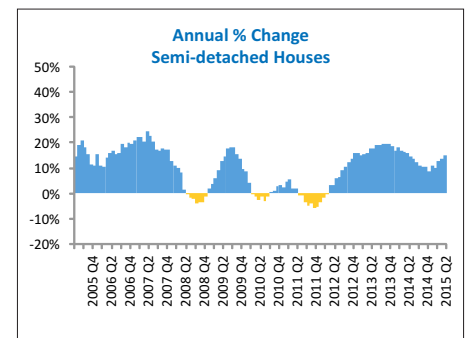
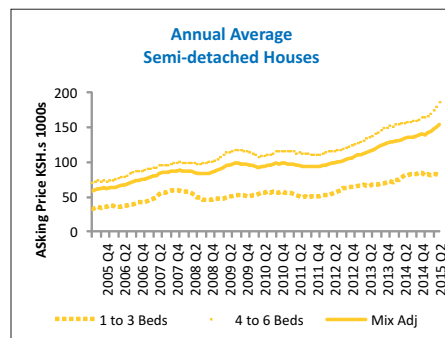
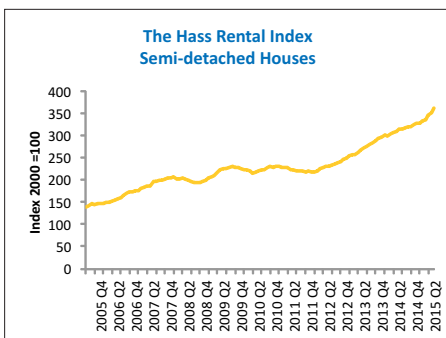
SNAP SHOTS:

- 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 34.1% of the market.
- In June 2015 however, Apartments took up 60.2% of the market, Semi-detached Houses took up 12.1% of the market and Detached Houses took up 27.7% of the market.



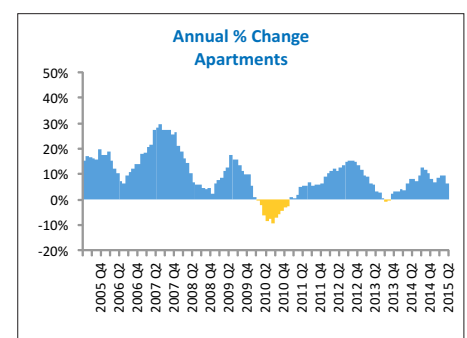
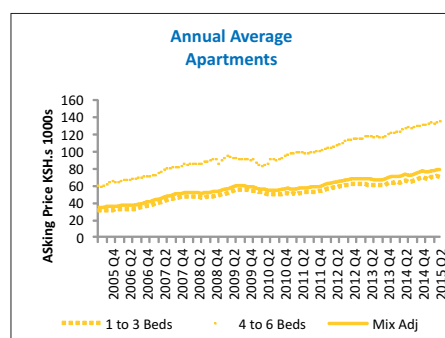
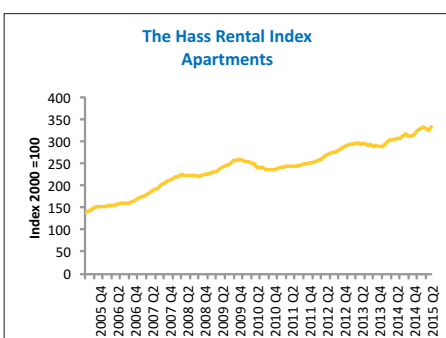
SNAP SHOTS:

- Detached houses include stand alone houses, bungalows, cottages and villas either on their own plot or in a gated community.
- Rental values for Detached Houses have increased by 3.66 times since 2001, a 1.2% rise in the last quarter and a 7.4% rise in the last year. The average rental for a Detached House is currently Kshs. 208,180 up from Kshs. 56,959 in December 2000.



SNAP SHOTS:

- Semi-Detached houses include townhouses and maisonettes that are semi-detached or terraced.
- Rental values Semi-detached Houses have increased by 3.62 times since 2001, a 7.8% rise in the last quarter and a 14.9% rise in the last year. The average rental for a Semi-detached House is currently Kshs. 154,313 up from Kshs. 42,688 in December 2000.



SNAP SHOTS:

- Apartments include apartments, duplexes and triplexes.
- Rental values for Apartments have increased by 3.37 times since 2001, 1.1% rise in the last quarter and a 6.3% rise in the last year. The average rent for an Apartment is currently Kshs. 78,271 up from Kshs. 21,638 in December 2000.