Consumers shift suburbs in search for value

- **House prices and rentals rose in every one of 43 areas in and around Nairobi but there was a pronounced shift towards areas where pricing moved more slowly in 2011 offering better price deals in 2012.**
- **But sales price rises were subdued in the mid-town belt that was previously the most frenetic – Westlands, Lavington, Riverside, Kilimani and Langata – at between 1 and 2 per cent.**
- **The steepest sales price rises instead came in outer zones, such as Karen, Ongata Rongai and Koma Rock, where prices rose by around 20 per cent.**
- **Rentals rose more slowly than in 2011, rising by less than 5 per cent in 17 of the 43 residential areas.**
- **But in up-and-coming upper market residential areas, rents rose much more sharply, with the strongest rises across the year in Spring Valley, Hillview and Brookside, at 13 to 14 per cent.**
- **In sum, during a year of subdued market activity, location was the critical swing factor in both rental yields and capital gains.**

2012 Index Highlights

HASS COMPOSITE SALES INDEX	Average Asking Price	% Change in 2012
All Properties	24,102,406	9.7%
Stand Alone Houses	34,473,224	11.7%
Townhouses	19,335,011	6.4%
Apartments	12,240,280	5.7%

HASS COMPOSITE LETTING INDEX	Average Asking Price	% Change in 2012
All Properties	110,963	16.0%
Stand Alone Houses	170,469	17.2%
Townhouses	106,122	13.9 %
Apartments	68,383	15.0%

SUBURB REVIEW	2012
Most expensive suburb to buy in	Muthaiga
Most expensive suburb to rent in	Nyari
Suburb with highest increase in average sale prices	Thika (▲22%)
Suburb with highest increase in average rental prices	Brookside & Spring Valley (▲14%)

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HassConsult today issued the 2012 annual report on sales and rental trends in and around Nairobi, revealing a wide differential between the capital's top performing and most static suburbs.

Where frenetic building activity and ease of access to the city centre had previously driven sales and rental prices upwards in the city's mid-town belt of Westlands, Riverside, Kilimani, Lavington and Langata, these same areas, in 2012, recorded negligible rises in house sale prices.

Conversely, areas on the outer edges of the city, from Karen to Ongata Rongai, recorded sales price rises of up to 20 per cent through the year.

The pricing represented a take-off in commuting as a lifestyle choice, with pricing in the city having reached the limits of consumers' spending power.

This search for maximum value saw the city's once most prestigious suburb of Muthaiga record the lowest sales price rises of all the city's residential areas, with close to zero movement in pricing.

Likewise, in the rental market, middle upper income areas, such as Spring Valley, HillView and Brookside outstripped more traditional areas in competition for housing, and to a much lesser extent, apartments, driving rent price rises of up to 14 per cent.

Nyari, which emerged the previous year as the city's most expensive suburb, saw rent rises of just 2 per cent, while Gigiri came in at under 6 per cent.

This shift towards residential areas a little further down the ladder echoed the same theme of careful budgeting.

In all of the lower market areas rents appeared to hit the buffers of sustainable demand, with areas such as Donholm and South C seeing rent rises of well below 5 per cent for the year.

Across the 43 areas, 17 recorded rent rises of less than 5 per cent, almost all of them in the lower end of the market.

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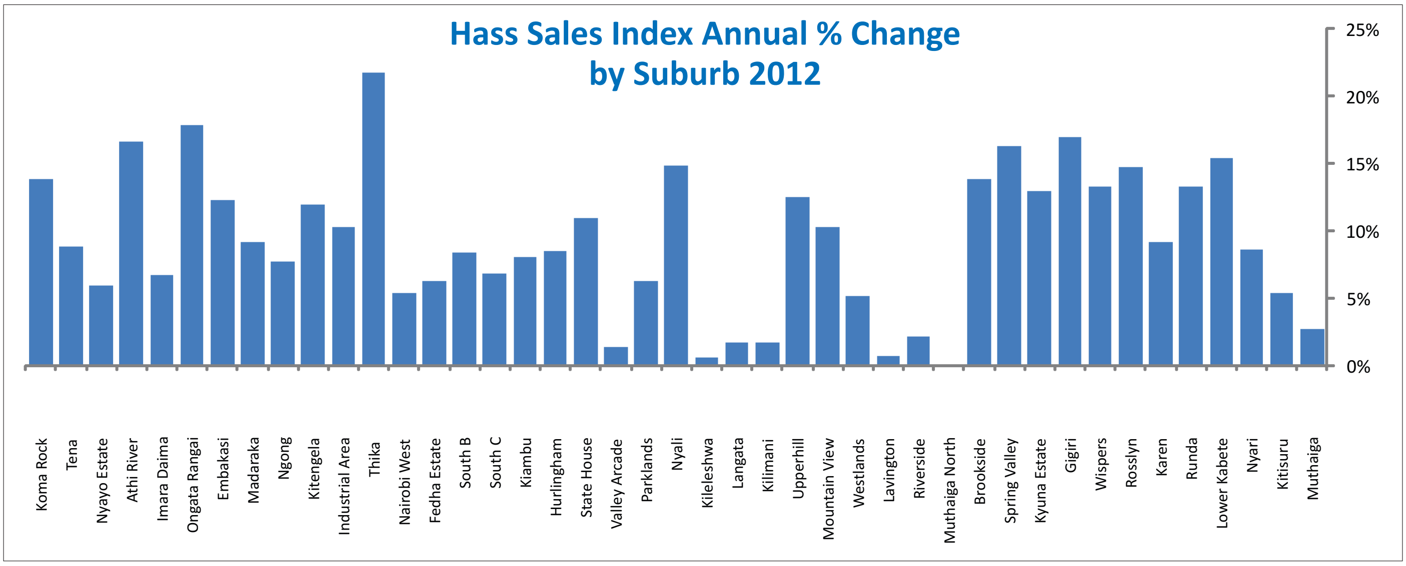
Average Sale Prices by Suburb

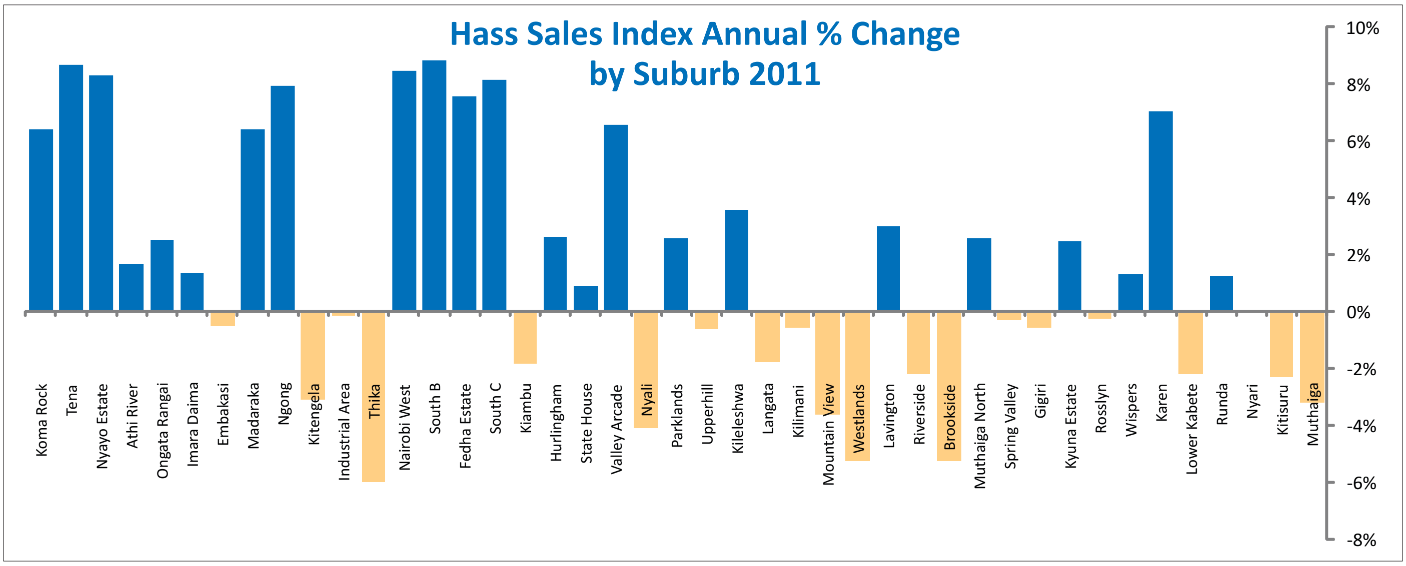
Location	Q4 2011 (Kshs)	Q4 2012 (Kshs)	% Change
Muthaiga	63,300,000	65,000,000	3%
Kitisuru	47,900,000	50,500,000	5%
Nyari	45,200,000	49,100,000	9%
Lower Kabete	41,000,000	47,300,000	15%
Runda	41,400,000	46,900,000	13%
Karen	40,200,000	43,900,000	9%
Rosslyn	38,100,000	43,700,000	15%
Wispers	38,400,000	43,500,000	13%
Gigiri	36,000,000	42,100,000	17%
Kyuna Estate	36,900,000	41,700,000	13%
Spring Valley	32,000,000	37,200,000	16%
Brookside	28,900,000	32,900,000	14%
Muthaiga North	31,800,000	31,800,000	0%
Riverside	27,300,000	27,900,000	2%
Lavington	27,300,000	27,500,000	1%
Westlands	21,100,000	22,200,000	5%
Mountain View	19,500,000	21,500,000	10%
Upperhill	16,000,000	18,000,000	13%
Kilimani	17,400,000	17,700,000	2%
Langata	17,200,000	17,500,000	2%
Kileleshwa	16,900,000	17,000,000	1%
Nyali	14,800,000	17,000,000	15%
Parklands	15,800,000	16,800,000	6%
Valley Arcade	13,800,000	14,000,000	1%
State House	11,800,000	13,100,000	11%
Hurlingham	11,700,000	12,700,000	9%
Kiambu	11,100,000	12,000,000	8%
South C	10,300,000	11,000,000	7%
South B	9,500,000	10,300,000	8%
Fedha Estate	9,600,000	10,200,000	6%
Nairobi West	9,200,000	9,700,000	5%
Thika	7,800,000	9,500,000	22%
Industrial Area	7,800,000	8,600,000	10%
Kitengela	7,500,000	8,400,000	12%
Ngong	7,800,000	8,400,000	8%
Madaraka	6,500,000	7,100,000	9%
Embakasi	5,880,000	6,600,000	12%
Ongata Rangai	5,600,000	6,600,000	18%
Imara Daima	5,900,000	6,300,000	7%
Athi River	5,400,000	6,300,000	17%
Nyayo Estate	4,700,000	4,980,000	6%
Tena	4,500,000	4,900,000	9%
Koma Rock	3,600,000	4,100,000	14%

Percentage Change in Suburb Sale Prices

2012



2011

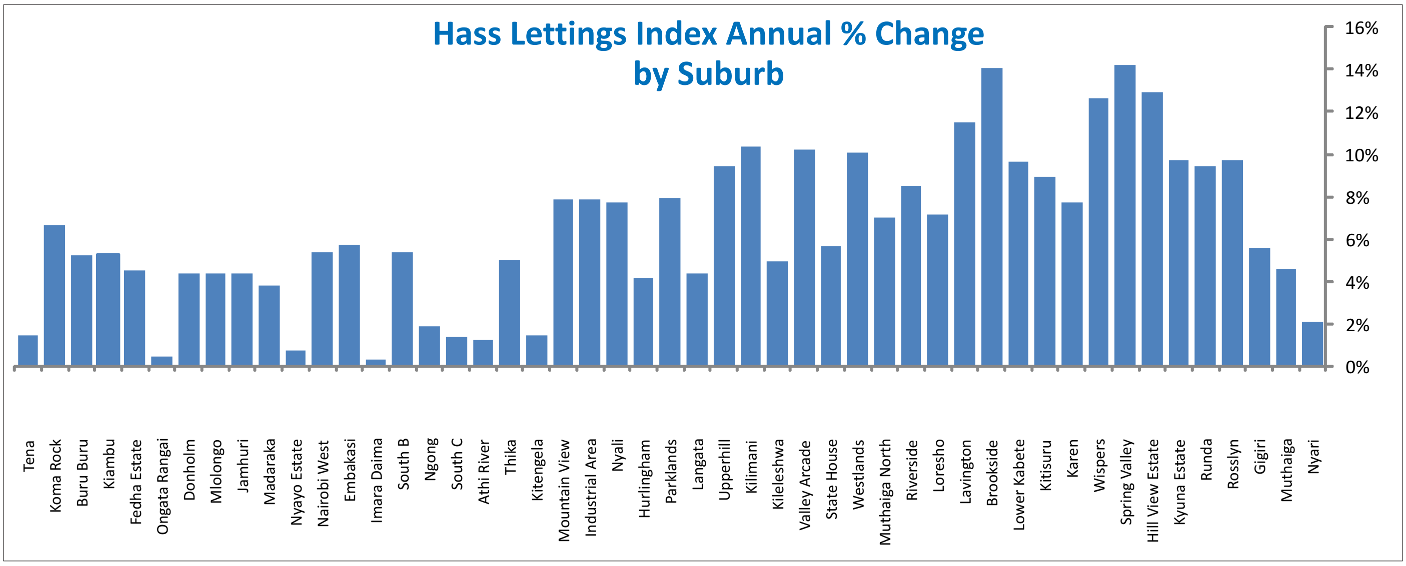


Average Rentals by Suburb

Location	Q4 2011 (Kshs)	Q4 2012 (Kshs)	% Change
Nyari	238,000	243,000	2%
Muthaiga	207,000	216,500	5%
Gigiri	203,000	214,300	6%
Rosslyn	185,000	203,000	10%
Runda	182,800	200,000	9%
Kyuna Estate	170,000	186,500	10%
Hill View Estate	155,000	175,000	13%
Spring Valley	151,000	172,500	14%
Wispers	150,000	169,000	13%
Karen	155,000	167,000	8%
Kitisuru	141,000	153,600	9%
Lower Kabete	134,000	146,900	10%
Brookside	114,000	130,000	14%
Lavington	113,000	126,000	12%
Loresho	112,000	120,000	7%
Riverside	106,000	115,000	8%
Muthaiga North	100,000	107,000	7%
Westlands	97,000	106,800	10%
State House	99,000	104,600	6%
Valley Arcade	88,000	97,000	10%
Kileleshwa	89,000	93,400	5%
Kilimani	84,000	92,700	10%
Upperhill	73,000	79,900	9%
Langata	66,000	68,900	4%
Parklands	63,000	68,000	8%
Hurlingham	65,000	67,700	4%
Nyali	57,000	61,400	8%
Industrial Area	51,000	55,000	8%
Mountain View	51,000	55,000	8%
Kitengela	47,000	47,700	1%
Thika	40,000	42,000	5%
Athi River	41,000	41,500	1%
South C	36,000	36,500	1%
Ngong	32,000	32,600	2%
South B	28,000	29,500	5%
Imara Daima	29,000	29,100	0%
Embakasi	26,000	27,500	6%
Nairobi West	26,000	27,400	5%
Nyayo Estate	27,000	27,200	1%
Madaraka	26,000	27,000	4%
Jamhuri	25,000	26,100	4%
Mlolongo	23,000	24,000	4%
Donholm	23,000	24,000	4%
Ongata Rangai	23,000	23,100	0%
Fedha Estate	22,000	23,000	5%
Kiambu	19,000	20,000	5%
Buru Buru	19,000	20,000	5%
Koma Rock	15,000	16,000	7%
Tena	14,000	14,200	1%

Percentage Change in Suburb Rental Prices

2012



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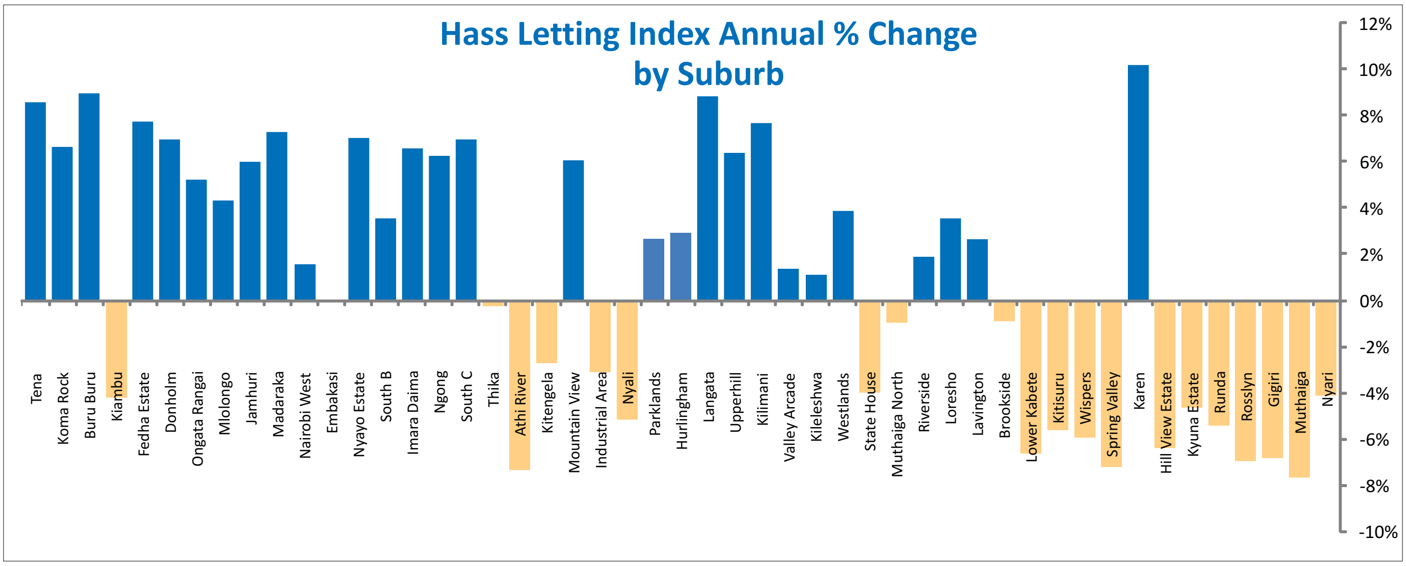

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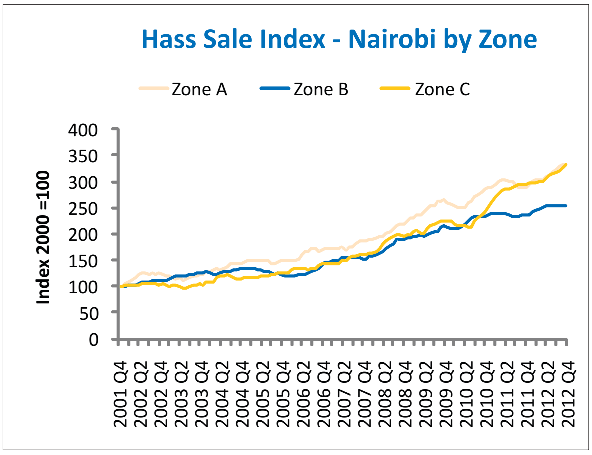

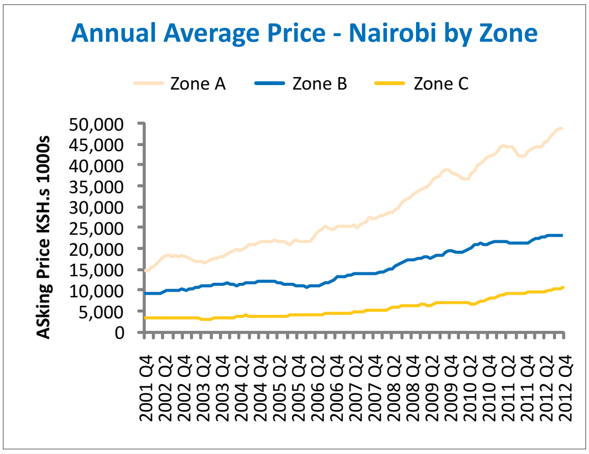

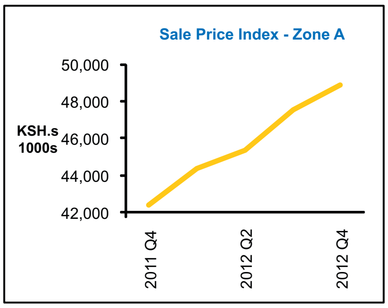

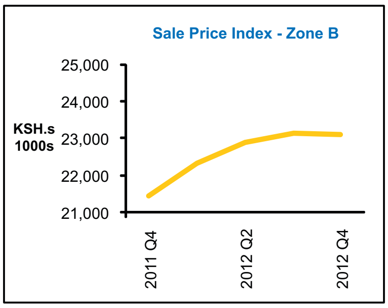

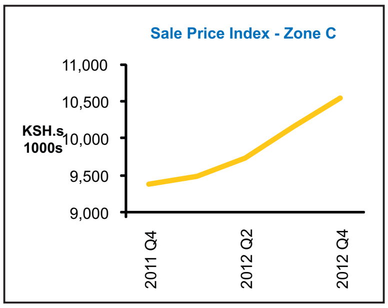

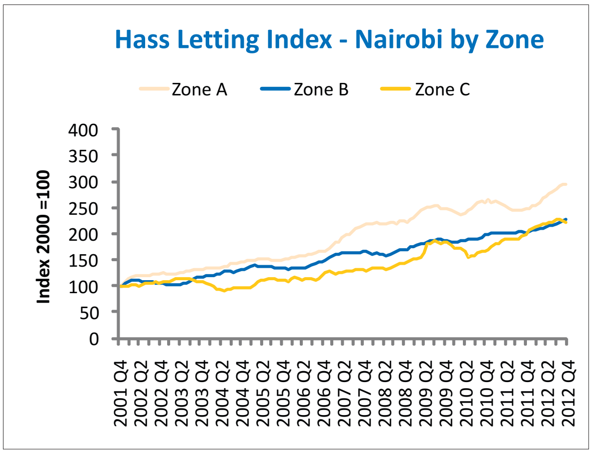

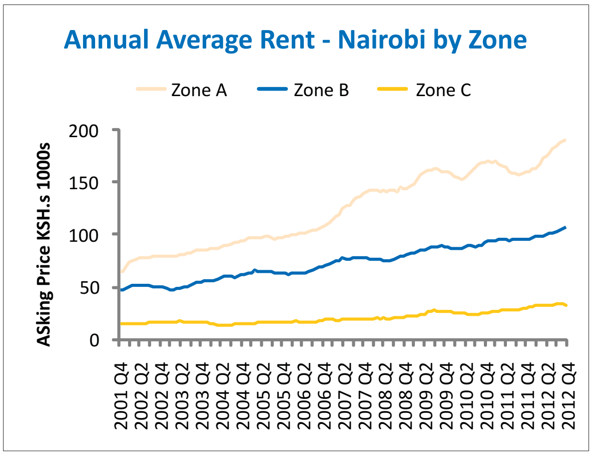

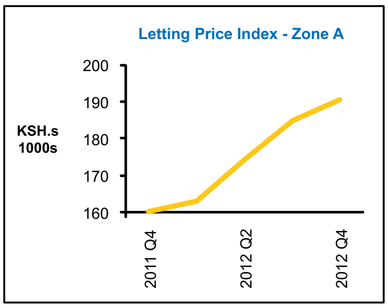

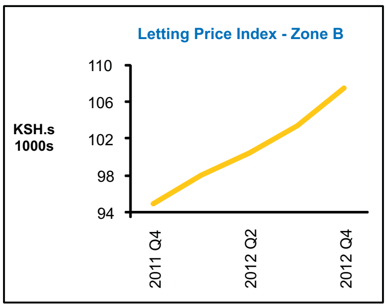

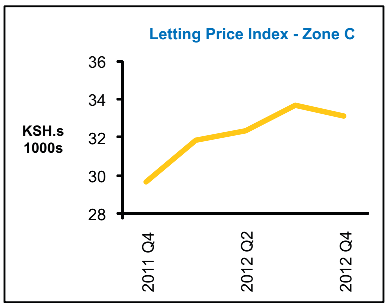

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Zone A	Zone B	Zone C
Gigiri	Brookside	Athi River
Hill View Estate	Hurlingham	Buru Buru
Karen	Kileleshwa	Donholm
Kitisuru	Kilimani	Embakasi
Kyuna Estate	Langata	Fedha Estate
Lower Kabete	Lavington	Industrial Area
Loresho	Mountain View	Jamhuri
Muthaiga	Nyali	Kiambu
Nyari	Parklands	Kitengela
Rosslyn	Riverside	Koma Rock
Runda	State House	Imara Daima
Spring Valley	Upperhill	Madaraka
Wispers	Valley Arcade	Mlolongo
	Westlands	Nairobi West
		Ngong
		Nyayo Estate
		Ongata Rangai
		South B
		South C
		Tena
		Thika

Suburbs include adjacent surrounding areas