

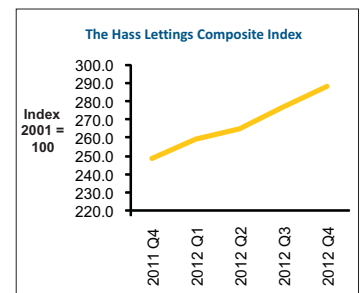
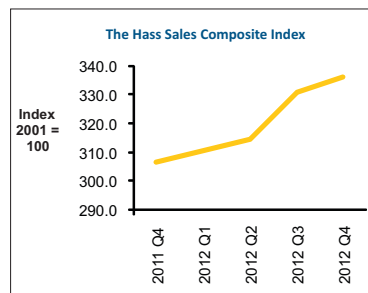
QUARTER FOUR REPORT 2012

Housing market activity rebounds on CBK rate cuts

- Rent price rises in quarter four 2012 far greater than sales price rises
- Asking rents rose by 4.1 per cent in the final quarter of 2012, over the previous quarter, with steepest rises at top of the market for standalone properties
- Asking sales prices rose by 1.7 per cent, much more slowly than in the third quarter of 2012
- Both renting and sales activity rose sharply, however, after a profound drop in the middle of last year, with viewings by purchasers rising to levels approaching the first half of 2011, before the interest rate hikes

Annual Index Highlights:

SALES AND LETTINGS COMPOSITE INDEX YEAR TO Q4



HEADLINES - HASS COMPOSITE SALES INDEX	% Change in Quarter	% Change in Year
All Properties	1.7%	9.7%
Stand Alone Houses	2.3%	11.7%
Townhouses	0.1%	6.4%
Apartments	1.1%	5.7%

* 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	4.1%	16.0%
Stand Alone Houses	5.2%	17.2%
Townhouses	4.0%	13.9 %
Apartments	2.1%	15.0%

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

HassConsult today unveiled the Hass Property Index results for the final quarter of 2012, showing a sharp upswing in viewing and enquiries, but still relatively flat sales pricing - although rental prices continued to rise steeply across all segments of the market.

“The sensitivity of buyers to interest rates, even in a largely unmortgaged market, has shown up very sharply in sales activity and pricing in the last 18 months,” said Sakina Hassanali, Head of Research and Marketing at HassConsult. “With rates slashed, enquiries returned to much the same levels of early 2011.”

However, sales prices are taking somewhat longer to gain momentum. Pushes for higher sales prices in quarter three achieved little real gains, seeing asking prices remain largely static in the final quarter.

But asking prices for rentals continued to climb strongly. With asking rents rising by an overall 4.1 per cent, the biggest rises came at the top of the market, where rents for standalone properties rose by 5.2 per cent on the previous three months, making for a 17.2 per cent increase from January to December 2012.

“The upwards correction in rents, as buyers have held off for better financing terms, has been particularly strong after the relatively flat rentals market in the preceding two years, and may yet take some months to level out,” said Ms Hassanali.

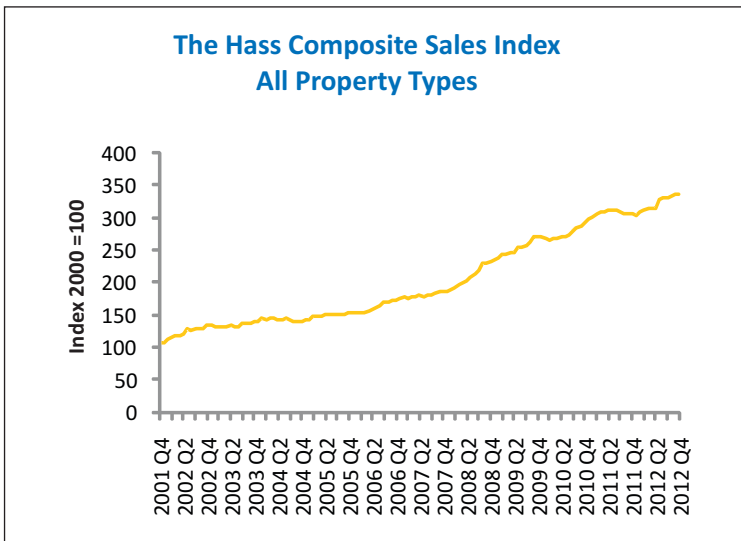
Even the previously stagnant apartment rental market recorded further rises in asking prices, up 2.1 per cent on quarter 3 and 15 per cent on the final quarter of 2012.

“Overall, the picture is of a market returning to buoyancy,” she said.

“Rental yields are now stronger, following the year of rental rises, and financing is moving into a steadily more affordable range. This combination augurs well for a strong year in real estate in 2013, based on financial fundamentals and despite all the uncertainty that comes with an election year.”

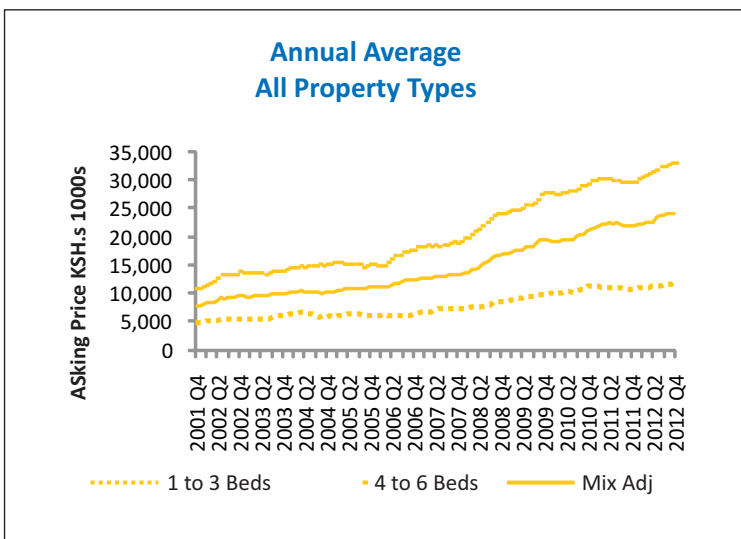
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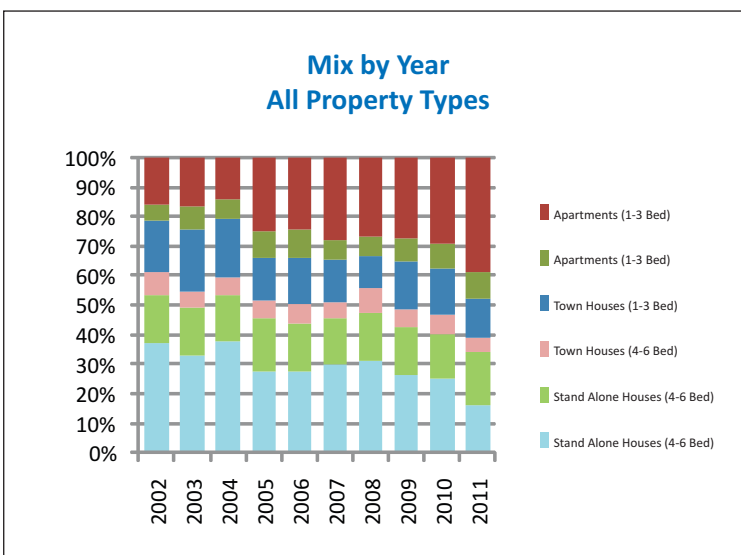
SNAP SHOTS:

- The Hass Composite sales Index is representative of all property for sale in Kenya
- Property values have increased by 3.36 times since 2000
- The index shows a property price rise of 1.7% in the last quarter and a 9.7% rise in the last year



SNAP SHOTS:

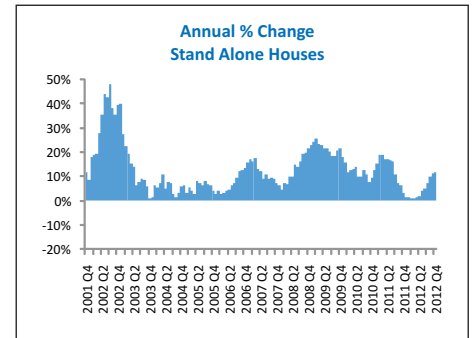
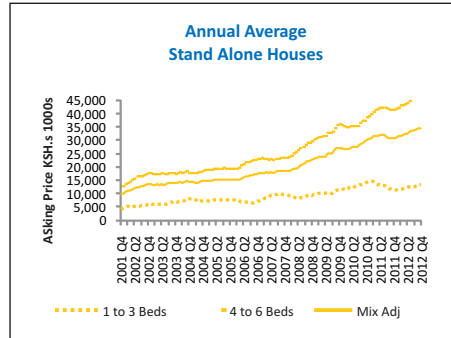
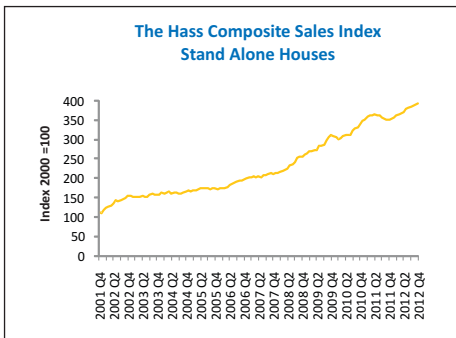
- The annual average is representative of the average price of all properties offered for sale in Kenya
- The average value for a property has gone from 7.1 million in December 2000 to 24.1 million in December 2012
- The average value for a 4-6 bedroom property is currently 33.0 million
- The average value for a 1-3 bedroom property is currently 11.8 million



SNAP SHOTS:

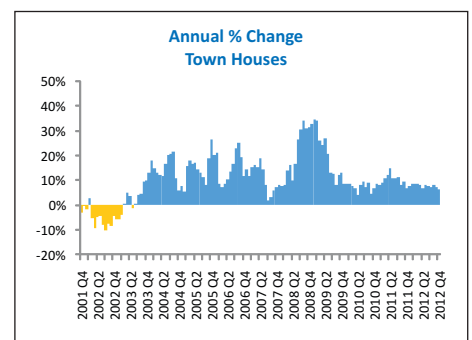
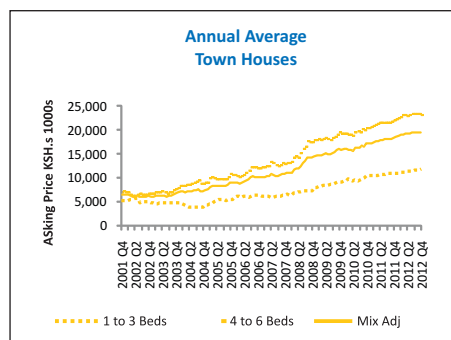
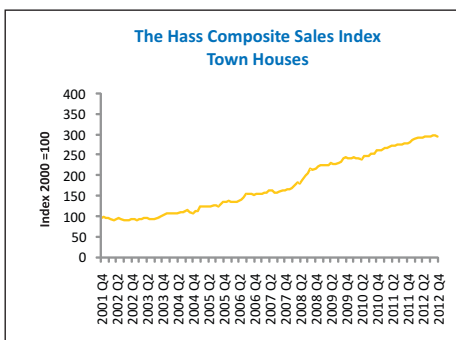
- The Mix by Year is a measure of the percentage that each type of property represents in the market
- In 2001, apartments took up 23.5% of the market, Town Houses took up 24.5% of the market and Stand alone houses took up 52% of the market
- In 2012 however, apartments took up 43.6% of the market, Town Houses took up 26.9% of the market and Stand alone houses took up 29.5% of the market

Breakdown of 10 years data by Year



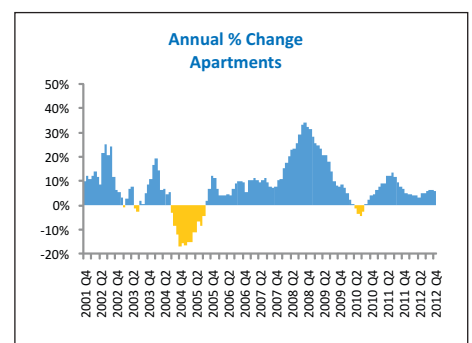
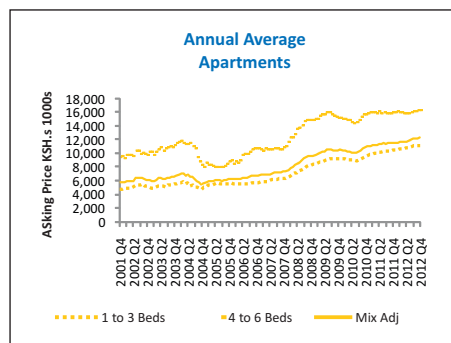
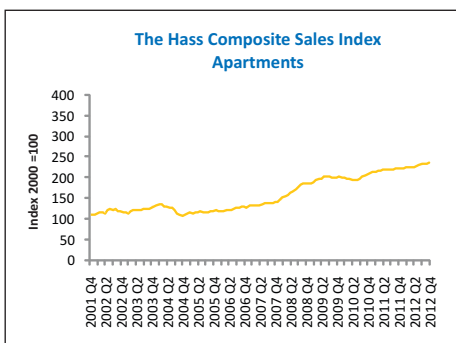
SNAP SHOTS:

- 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 3.92 times since 2001, a 2.3% rise in the last quarter and a 11.7% rise in the last year. The average price for a stand alone house is currently 34.5 million up from 8.8 million in December 2000.



SNAP SHOTS:

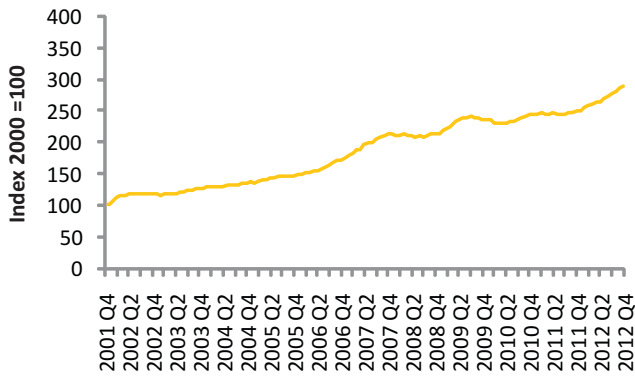
- Town houses include townhouses and maisonettes that are semi-detached or terraced.
- Property values for town houses have increased by 2.95 times since 2001, a 0.1% rise in the last quarter and a 6.4% rise in the last year. The average price for a town house is currently 19.3 million up from 6.5 million in December 2000.



SNAP SHOTS:

- Apartments include apartments, duplexes and triplexes.
- Property values for apartments have increased by 2.35 times since 2001, a 1.1% rise in the last quarter and an 5.7% rise in the last year. The average price for an apartment is currently 12.2 million up from 5.2 million in December 2000.

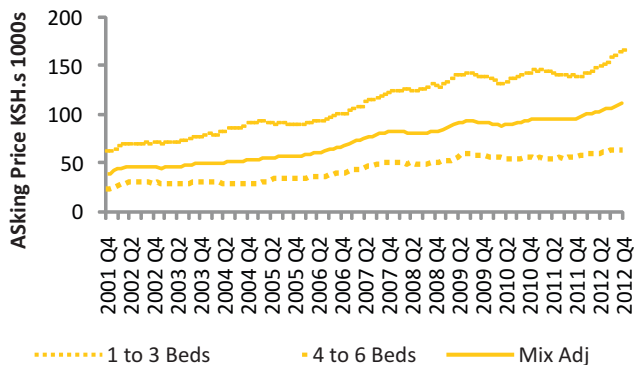
**The Hass Composite Lettings Index
All Property Types**



SNAP SHOTS:

- The Hass Composite Letting Index is representative of all property for rental in Kenya
- Rents have increased by 2.88 times since 2001
- The index shows rents have risen by 4.1% in the last quarter but have risen by 16.0% in the last year

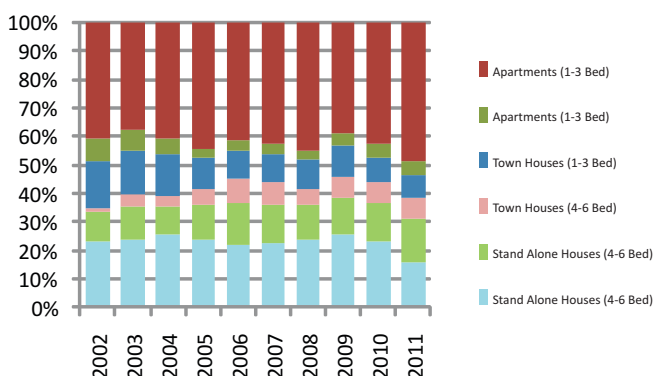
**Annual Average
All Property Types**



SNAP SHOTS:

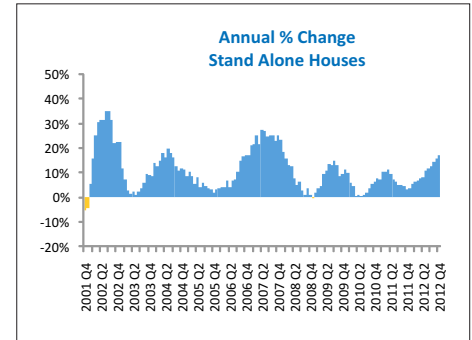
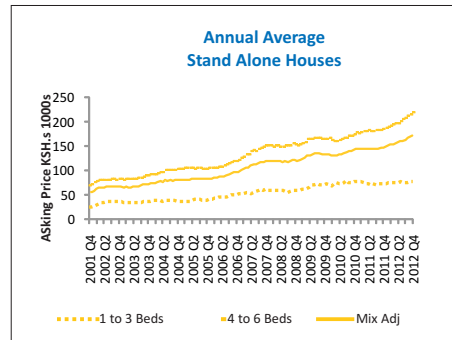
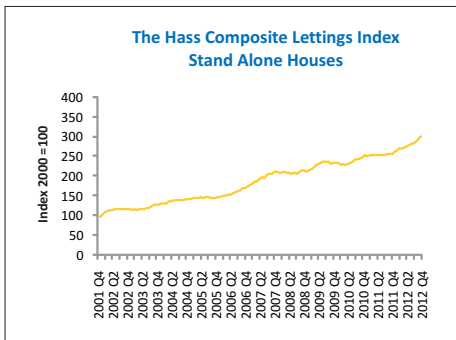
- The annual average is representative of the average rent of all properties offered to let in Kenya.
- The average rental for a property has gone from Kshs. 38,516 in December 2000 to Kshs. 110,963 in December 2012
- The average rent for a 4-6 bedroom property is currently Kshs. 166,935
- The average rent for a 1-3 bedroom property is currently Kshs. 63,805

**Mix by Year
All Property Types**



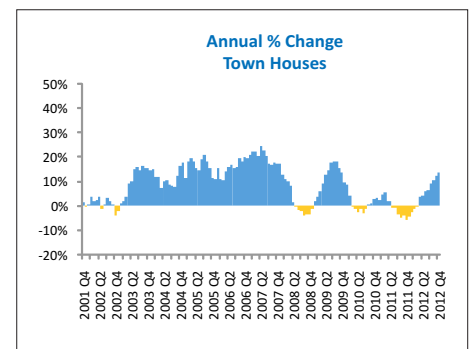
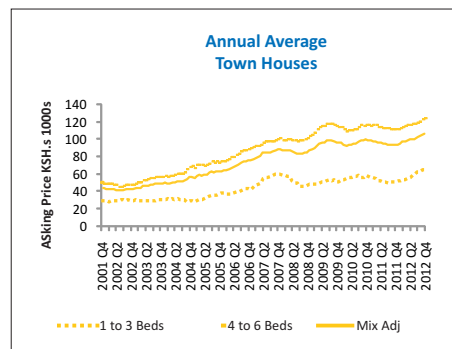
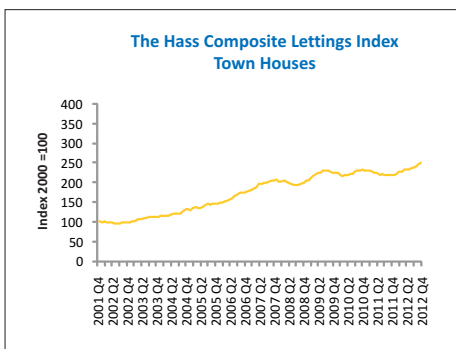
SNAP SHOTS:

- 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 56.3% of the market, Town Houses took up 19.6% of the market and Stand alone houses took up 24.1% of the market



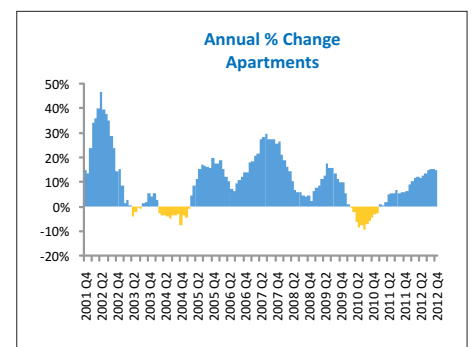
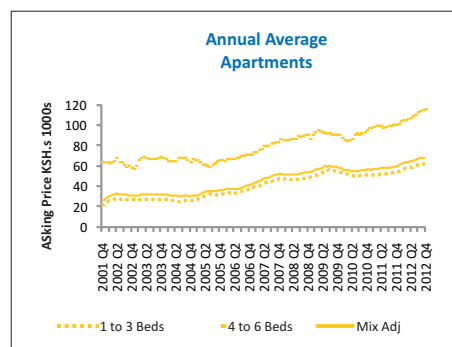
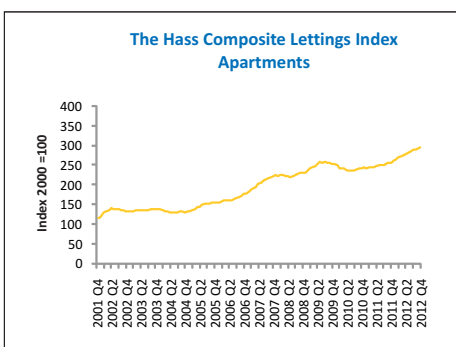
SNAP SHOTS:

- 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 2.99 times since 2001, a 5.2% rise in the last quarter and a 17.2% rise in the last year. The average rental for a stand alone house is currently Kshs. 170,469 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 2.48 times since 2001, a 4.0% rise in the last quarter and a 13.9% rise in the last year. The average rental for a town house is currently Kshs. 106,122 up from Kshs. 42,688 in December 2000.



SNAP SHOTS:

- Apartments include apartments, duplexes and triplexes.
- Rental values for apartments have increased by 2.94 times since 2001, 2.1% rise in the last quarter and a 15.0% rise in the last year. The average rent for an apartment is currently Kshs. 68,383 up from Kshs. 21,638 in December 2000.