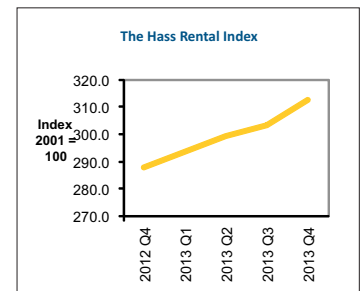
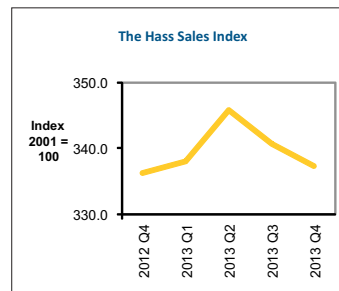


Overpriced mortgages push up semi-detached rents

- Overall, asking prices for residential property sales fell in the fourth quarter of last year
- Asking prices fell by an average 1.3 per cent for detached houses and apartments
- But asking prices for semi-detached houses continued to rise, albeit by a marginal 0.6 per cent
- However, the rate of rent increases accelerated from October to December
- Asking rents for apartments, which had fallen during 2013, rose by 4.2 per cent in the final quarter
- Semi-detached rents also continued their sharp rise, up a further 4.5 per cent on the previous quarter, and 19.4 per cent on a year earlier
- Asking rents for detached houses continued to rise at a more subdued rate of 1.9 per cent in the fourth quarter
- The now prolonged period of property sales prices, with the mortgage market stalled, is also now having a negative impact on property investment returns

Index Highlights:

SALES AND RENTAL INDEX YEAR TO Q4



HEADLINES - HASS SALES INDEX	% Change in Quarter	% Change in Year
All Properties	-1.0%	0.3%
Detached Houses	-1.3%	0.5%
Semi-detached Houses	0.6%	0.1%
Apartments	-1.3%	-0.2%

* 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	3.0%	8.5%
Detached Houses	1.9%	8.5%
Semi-detached Houses	4.5%	19.4%
Apartments	4.2%	2.2%

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

HassConsult today announced the results of the Hass Residential Price Index for the fourth quarter of 2013, revealing accelerating rent rises in the final months of last year, driven by significant over-demand for rentals.

“For the country's expanding middle classes, the path of progressing from renting to purchasing is being blocked, now for a third year running, by the nation's exceptionally high mortgage rates,” said Ms Sakina Hassanali, Head of Research and Marketing at HassConsult.

“Typical first-time buyers of apartments and low-end town houses are continuing to find mortgages unaffordable, creating a demand bulge in rentals.”

This clustering saw semi-detached rents moving sharply upwards all year, rising by 4.5 per cent in the fourth quarter on third quarter levels, and by 19.4 per cent on a year earlier.

The final quarter also saw a renewed take-off in asking rentals for apartments, up by 4.2 per cent on the previous quarter, taking the rise for the year to 2.2 per cent, as the sudden rises more than offset earlier falls in asking rents.

In property sales, however, only the asking prices of town houses rose from October to December, up by 0.6 per cent on the previous three months, while the asking prices for detached houses and apartments fell by 1.3 per cent.

'At a profound level, the failure of the mortgage market to provide a new route to home ownership is now shaping the Kenyan property market in a way that cannot be sustainable,’ said Ms Hassanali.

“Demand is bulging in rental properties, even as developers are being deterred from new construction by flat sales prices and rising costs. The sum is ever higher rents, in a population made up of landlords and tenants.”

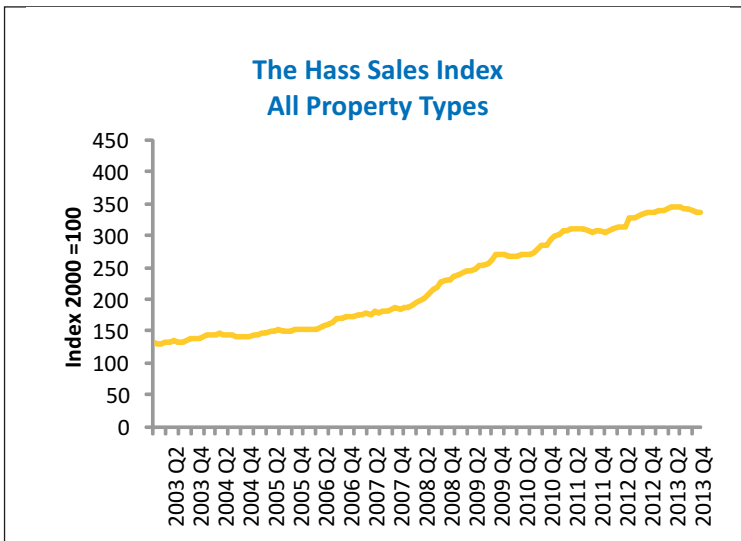
For more information, please contact:

Sakina Hassanali - Head of Marketing & Research

HassConsult Ltd

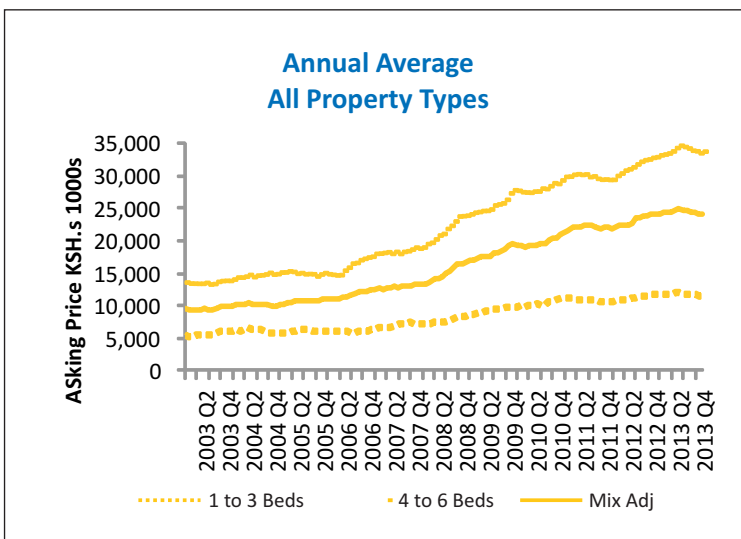
ABC Place, Westlands

Tel: +254 020 4446914



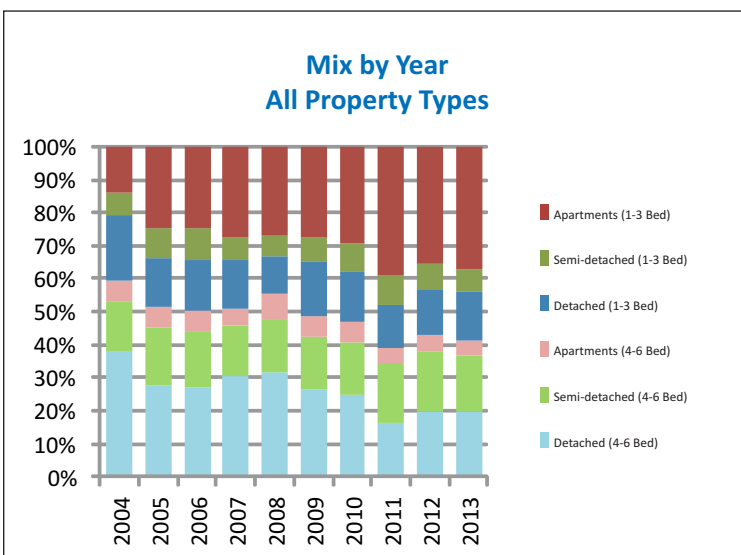
SNAP SHOTS:

- The Hass Composite sales Index is representative of all property for sale in Kenya
- Property values have increased by 3.37 times since 2000.
- The index shows a property price fall of 1.0% in the last quarter and a 0.3% rise in the last year.



SNAP SHOTS:

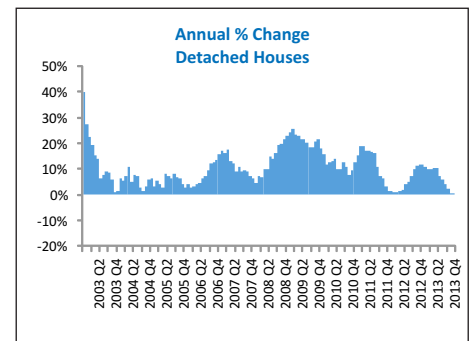
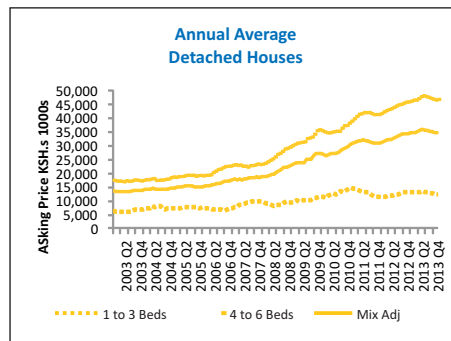
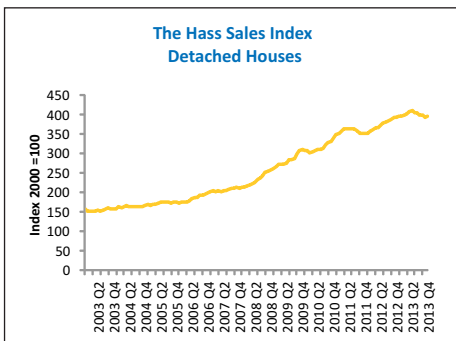
- The annual average is representative of the average price of all properties offered for sale in Kenya.
- The average value for a property has gone from 7.1 million in December 2000 to 24.2 million in December 2013.
- The average value for a 4-6 bedroom property is currently 33.8 million.
- The average value for a 1-3 bedroom property is currently 11.4 million.



SNAP SHOTS:

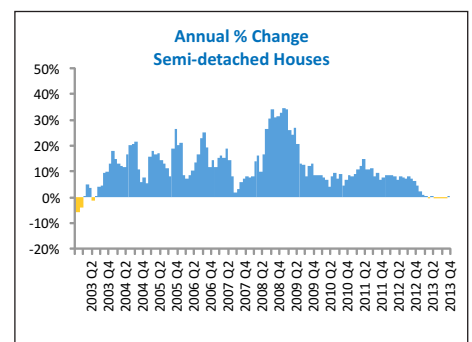
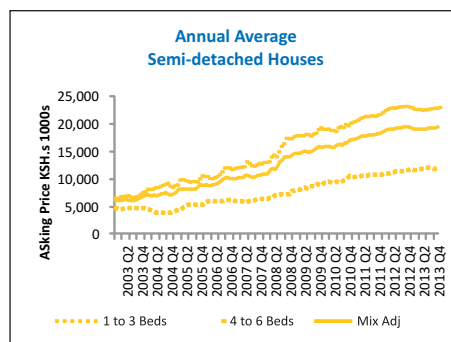
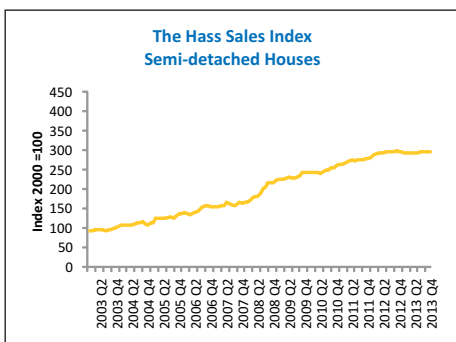
- The Mix by Year is a measure of the percentage that each type of property represents in the market.
- In 2001, apartments took up 23.5% of the market, semi-detached took up 24.5% of the market and detached houses took up 52% of the market.
- In 2013 however, apartments took up 41.7% of the market, semi-detached houses took up 24% of the market and detached houses took up 34.3% of the market.

Breakdown of 10 years data by Year



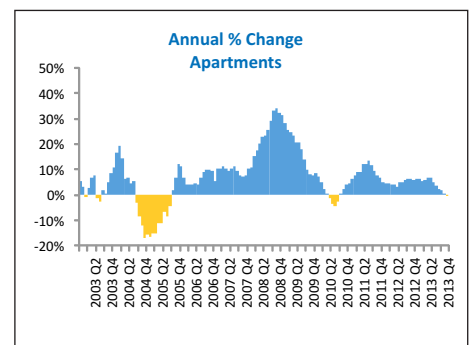
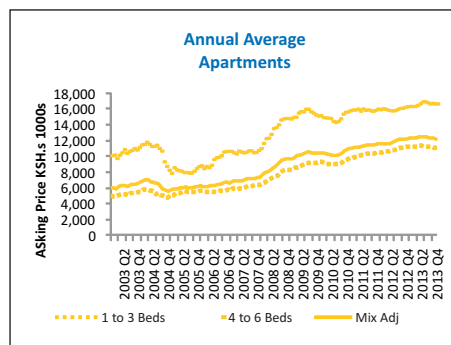
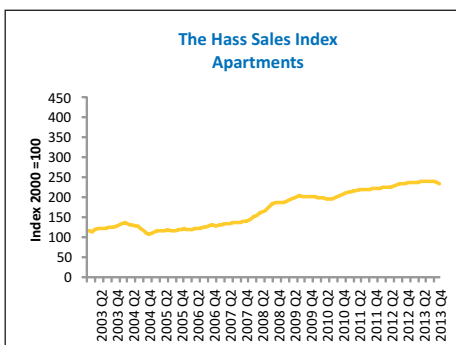
SNAP SHOTS:

- 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 3.94 times since 2001, a 1.3% fall in the last quarter and a 0.5% rise in the last year. The average price for a detached house is currently 34.7 million up from 8.8 million in December 2000.



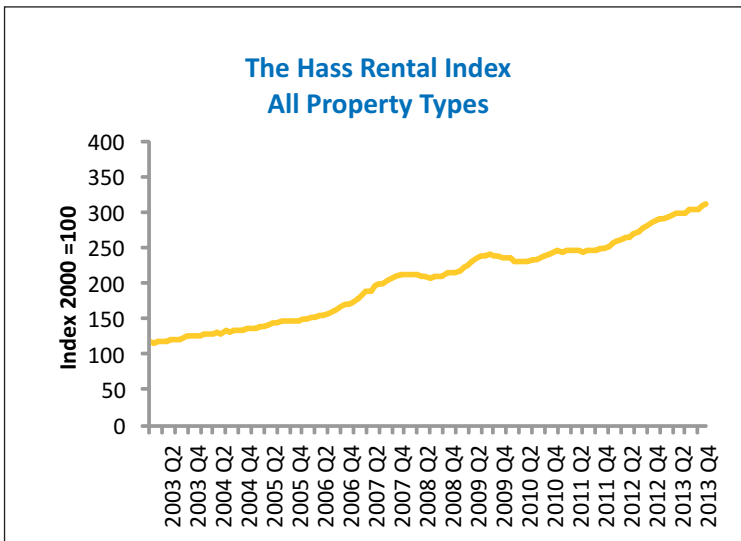
SNAP SHOTS:

- Semi-detached houses include townhouses and maisonettes that are semi-detached or terraced.
- Property values for semi-detached houses have increased by 2.96 times since 2001, a 0.6% rise in the last quarter and a 0.1% rise in the last year. Average price for a semi-detached house is currently 19.4 million up from 6.5 million in December 2000.



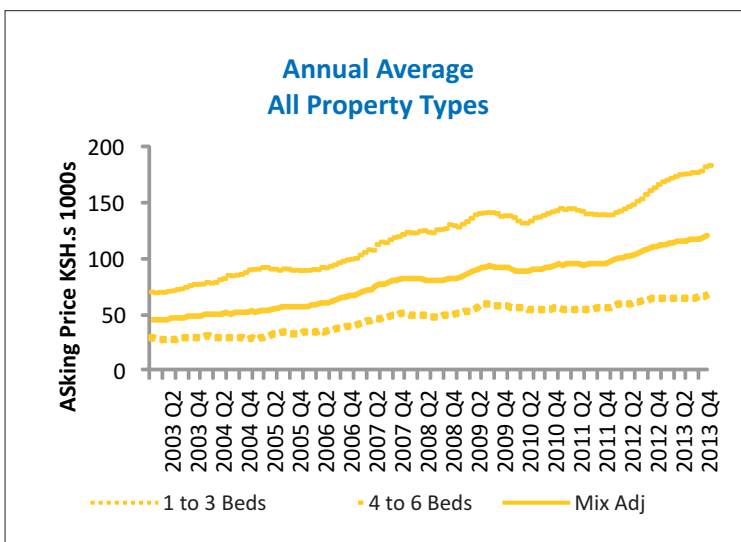
SNAP SHOTS:

- Apartments include apartments, duplexes and triplexes.
- Property values for apartments have increased by 2.35 times since 2001, a 1.3% fall in the last quarter and a 0.2% fall in the last year. The average price for an apartment is currently 12.2 million up from 5.2 million in December 2000.



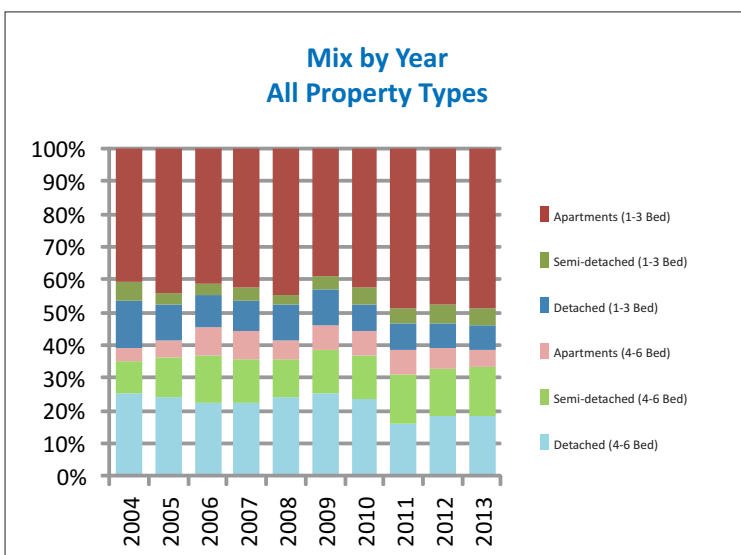
SNAP SHOTS:

- The Hass Composite Letting Index is representative of all property for rental in Kenya
- Rents have increased by 3.13 times since 2001
- The index shows rents have risen by 3.0% in the last quarter but have risen by 8.5% in the last year.



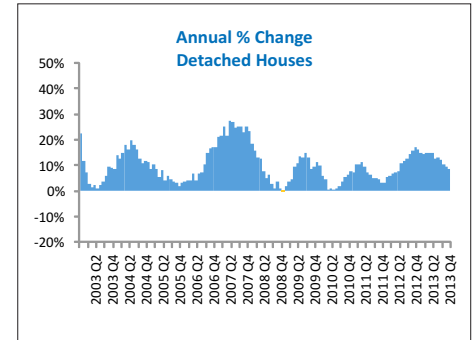
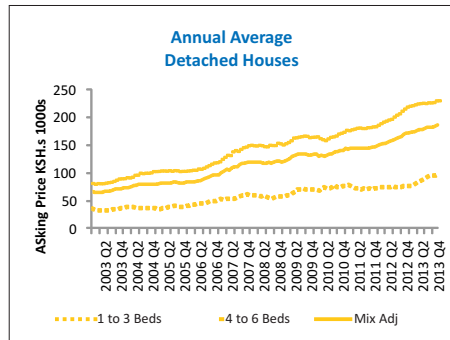
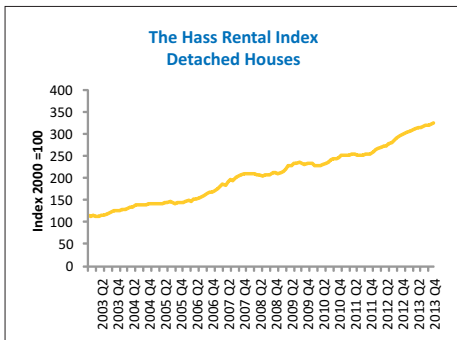
SNAP SHOTS:

- 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 Kshs. 120,372 in December 2013.
- The average rent for a 4-6 bedroom property is currently Kshs. 183,899
- The average rent for a 1-3 bedroom property is currently Kshs. 67,651



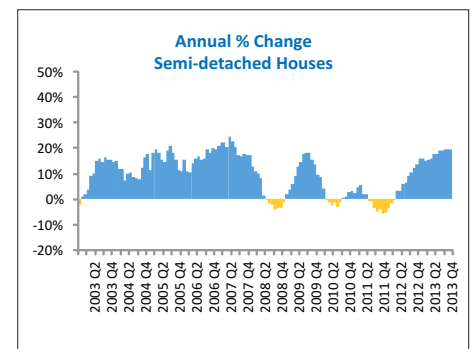
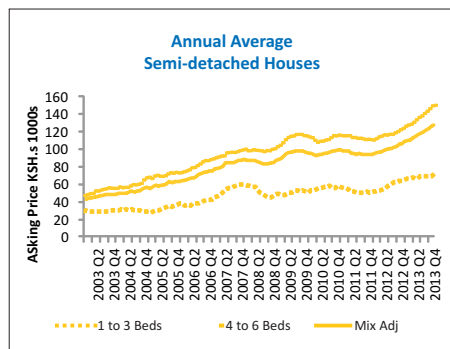
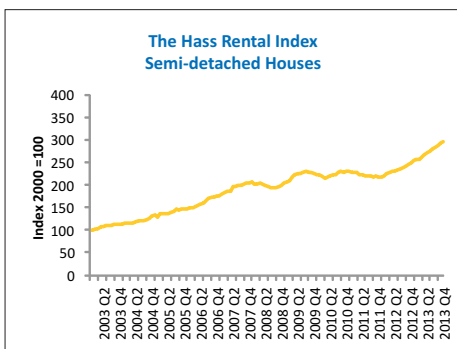
SNAP SHOTS:

- 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 took up 20.5% of the market and detached houses took up 34.1% of the market.
- In 2013 however, apartments took up 54.3% of the market, semi-detached took up 20% of the market and detached houses took up 25.7% of the market.



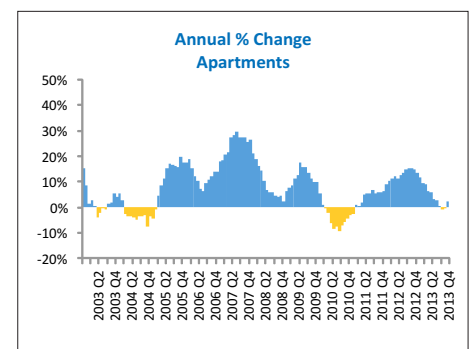
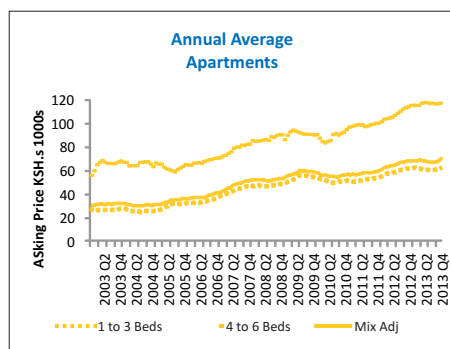
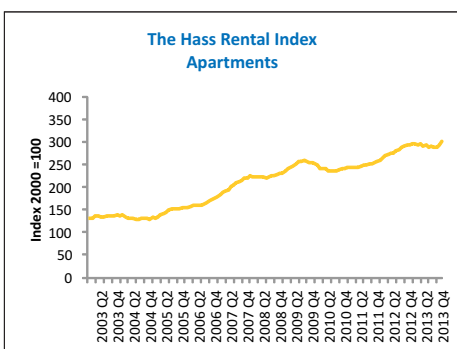
SNAP SHOTS:

- 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 3.25 times since 2001, a 1.9% rise in the last quarter and a 8.5% rise in the last year. The average rental for a detached house is currently Kshs. 185,029 up from Kshs. 56,959 in December 2000.



SNAP SHOTS:

- Semi-Detached houses include townhouses and maisonettes that are semi-detached or terraced.
- Rentals for semi-detached houses have increased by 2.97 times since 2001, a 4.7% rise in the last quarter and a 19.4% rise in the last year. The average rental for a semi-detached house is currently Kshs. 126,724 up from Kshs. 42,688 in December 2000.



SNAP SHOTS:

- Apartments include apartments, duplexes and triplexes.
- Rental values for apartments have increased by 3.01 times since 2001, 4.2% rise in the last quarter and a 2.2% rise in the last year. The average rent for an apartment is currently Kshs. 69,858 up from Kshs. 21,638 in December 2000.