

## High acreage prices in Nairobi suburbs see investors moving to satellite towns

- Advertised land prices in Nairobi have risen five-fold in the last 8 years, up 5.74 times from 2007 to an average of Kshs 173.6 million per acre
- Over 2015, Nairobi land rose by 9 per cent with Kitisuru, Loresho and Gigiri recording the highest increases in the year at 26.1 per cent, 23.4 per cent and 14.6 per cent respectively. Spring Valley has the lowest growth in land prices among the city's suburbs, having recorded a 3.9 per cent drop in 2015 alone
- Land prices in Nairobi's satellite towns tracked similar growth rates to land in Nairobi at 7.5 per cent over 2015 with Kiserian running well ahead of the average at a growth rate of 25.3 per cent. Land in Mlolongo, however witnessed annual price corrections with a fall of 0.4 per cent over the year
- While investment in land outperformed all other asset classes, average price per acre disparity between Nairobi (Kshs 173.5m) and its satellite towns (Kshs 15.6m per acre) worked to move investor dollars out of Nairobi to reap land investment returns within its satellite towns

### Land Index Highlights:

The Hass Composite Land Index, Nairobi Suburbs	Quarter % Change	Annual % Change	Change From 2007
Nairobi-18 Index Results	1.3%	9.0%	5.74 Fold
Suburb with Highest Quarterly Increase in Land Price	Kitisuru (+9.4% over last quarter)		
Suburb with Highest Annual Increase in Land Price	Kitisuru (+26.1% over last year)		
Suburb with Lowest Quarterly Increase in Land Price	Nyari (-0.9% over last quarter)		
Suburb with Lowest Annual Increase in Land Price	Spring Valley (-3.9% over last year)		
The Hass Composite Land Index, Nairobi Satellite Towns	Quarter % Change	Annual % Change	Change From 2007
Nairobi Satellite-14 Index Results	2.0%	7.5%	6.40 Fold
Suburb with Highest Quarterly Increase in Land Price	Kiserian (+4.8% over last quarter)		
Suburb with Highest Annual Increase in Land Price	Kiserian (+25.3% over last year)		
Suburb with Lowest Quarterly Increase in Land Price	Mlolongo (-2.3% over last quarter)		
Suburb with Lowest Annual Increase in Land Price	Mlolongo (-0.4% over last year)		

Hundreds of investors seeking favourable returns in land are moving to satellite towns as acreage prices in the city rise five-fold to an average of Kshs 173.6 million. The increased appetite for land in Nairobi's satellite towns comes in favor of lower average prices per acre at Kshs 15.6 million even as land more than quadrupled its price over the last eight years in these areas.

“Due to rising demand, land prices in these satellite towns have now tracked similar growth rates to land in Nairobi at 7.5 per cent over 2015 with Kiserian running well ahead of the average at a growth rate of 25.3 per cent. Land in Mlolongo, however witnessed annual price corrections with a fall of 0.4 per cent over the year,” said Ms. Sakina Hassanali, Head of Research and Marketing at HassConsult.

In the fourth quarter of 2015, land in Nairobi's suburbs rose by 9 per cent with Kitisuru, Loresho and Gigiri recording the highest increases in the year at 26.1 per cent, 23.4 per cent and 14.6 per cent respectively. Spring Valley has the lowest growth in land prices among the city's suburbs, having recorded a 3.9 per cent drop in 2015 alone. Notably, land prices in Nairobi's upcoming satellite towns of Kitengela, Kiserian, Athi River are rising faster compared to that of traditional high end suburbs of Karen, Ridgeways, Muthaiga, Lavington and Runda.

On average, land prices across all suburbs in the city steadily grew bucking the sluggish economic growth and remaining the number one asset for investors as compared to stocks, bonds or 91-day treasury bills. “Investors focused on capital growth are increasingly turning focus into land as the stock market and other asset classes continue to drop in favourability,” said Ms. Sakina Hassanali. An acre piece of land in the city's suburbs of Kitisuru gave investors the highest returns in 2015 with 26.1 per cent growth in price while land in Kiserian accrued 25.3 per cent more in the year. “To maximize returns, these investors are now buying huge chunks of land for subdivision and resale in Nairobi's satellite town,” said Ms. Hassanali.

Upcoming infrastructural developments in Ruaka have increased the value of land by more than five times with an acre now selling at Kshs 58.6million. Kiambu and Mlolongo have second and third highest prices for an acre respectively now priced at Kshs 35.9million and Kshs 27.2million. An acre piece of land in Athi River is currently selling at Kshs 11.4million, almost seven times more than its cost 8 years ago.

“On average, land prices in the satellite towns have risen by more than six-fold and will continue to increase as infrastructural developments like Standard gauge railway nears completion,” said Ms. Hassanali.

Demand is also high for land in the satellite towns that enables future expansion of public and private institutions like universities, private schools, hospitals and co-operative societies.

**For more information, please contact:**

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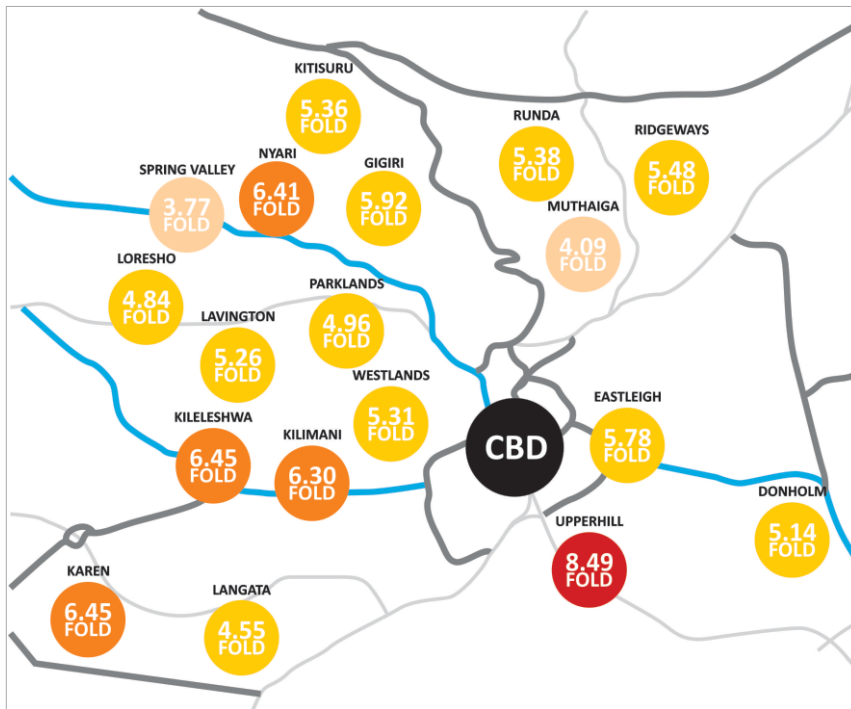
Nairobi Suburbs Land Index	Quarter % Change	Annual % Change	Change From 2007	Average Value Per Acre (KShs)	25 Percentile	75 Percentile
Donholm	5.3 %	13.9 %	5.14 FOLD	47,700,000	23,200,000	72,000,000
Eastleigh	-0.4 %	-0.6 %	5.78 FOLD	277,800,000	224,000,000	340,000,000
Gigiri	5.0 %	14.6 %	5.92 FOLD	208,400,000	141,000,000	266,000,000
Karen	2.5 %	12.2 %	6.45 FOLD	50,500,000	44,000,000	58,000,000
Kileleshwa	0.8 %	5.0 %	6.45 FOLD	265,200,000	210,000,000	300,000,000
Kilimani	1.0 %	13.1 %	6.30 FOLD	420,500,000	390,000,000	460,000,000
Kitisuru	9.4 %	26.1 %	5.36 FOLD	74,700,000	53,400,000	96,900,000
Langata	2.0 %	6.6 %	4.55 FOLD	49,000,000	24,300,000	55,000,000
Lavington	0.8 %	7.8 %	5.26 FOLD	218,100,000	160,000,000	256,700,000
Loresho	4.2 %	23.4 %	4.84 FOLD	77,000,000	60,000,000	87,000,000
Muthaiga	0.8 %	4.6 %	4.09 FOLD	108,600,000	68,000,000	145,300,000
Nyari	-0.9 %	4.3 %	6.41 FOLD	106,800,000	90,000,000	120,000,000
Parklands	-0.1 %	8.0 %	4.96 FOLD	386,300,000	320,000,000	472,000,000
Ridgeways	0.2 %	6.2 %	5.48 FOLD	63,400,000	52,000,000	70,000,000
Runda	3.3 %	11.5 %	5.38 FOLD	74,300,000	58,000,000	90,000,000
Spring Valley	-0.3 %	-3.9 %	3.77 FOLD	141,500,000	112,500,000	150,000,000
Upperhill	0.4 %	7.6 %	8.49 FOLD	509,500,000	440,000,000	600,000,000
Westlands	1.2 %	7.5 %	5.31 FOLD	388,900,000	276,500,000	500,000,000

Nairobi Satellite Town Land Index	Quarter % Change	Annual % Change	Change From 2007	Average Value Per Acre (KShs)	25 Percentile	75 Percentile
Athi River	1.7 %	11.8 %	8.89 FOLD	11,400,000	3,600,000	16,300,000
Juja	0.8 %	6.8 %	8.11 FOLD	7,000,000	2,800,000	8,500,000
Kiambu	2.8 %	12.3 %	6.26 FOLD	35,900,000	13,500,000	48,000,000
Kiserian	4.8 %	25.3 %	6.14 FOLD	6,100,000	2,200,000	9,000,000
Kitengela	4.4 %	15.9 %	5.61 FOLD	8,600,000	3,400,000	12,000,000
Limuru	0.0 %	1.1 %	7.56 FOLD	14,400,000	7,500,000	17,500,000
Mlolongo	-2.3%	-0.4 %	5.65 FOLD	27,200,000	15,000,000	39,500,000
Ngong	0.8 %	12.3 %	5.72 FOLD	17,600,000	10,000,000	20,000,000
Ongata Rongai	1.9 %	2.7 %	6.76 FOLD	15,900,000	6,300,000	20,000,000
Ruaka	3.6 %	8.4 %	5.27 FOLD	58,600,000	35,000,000	80,000,000
Ruiru	2.7 %	6.4 %	6.51 FOLD	15,300,000	5,600,000	20,300,000
Syokimau	0.4 %	3.1 %	5.63 FOLD	17,200,000	11,000,000	23,700,000
Thika	0.5 %	0.8 %	7.04 FOLD	14,400,000	5,200,000	20,000,000
Tigoni	3.5 %	11.0 %	7.43 FOLD	18,500,000	16,100,000	20,800,000

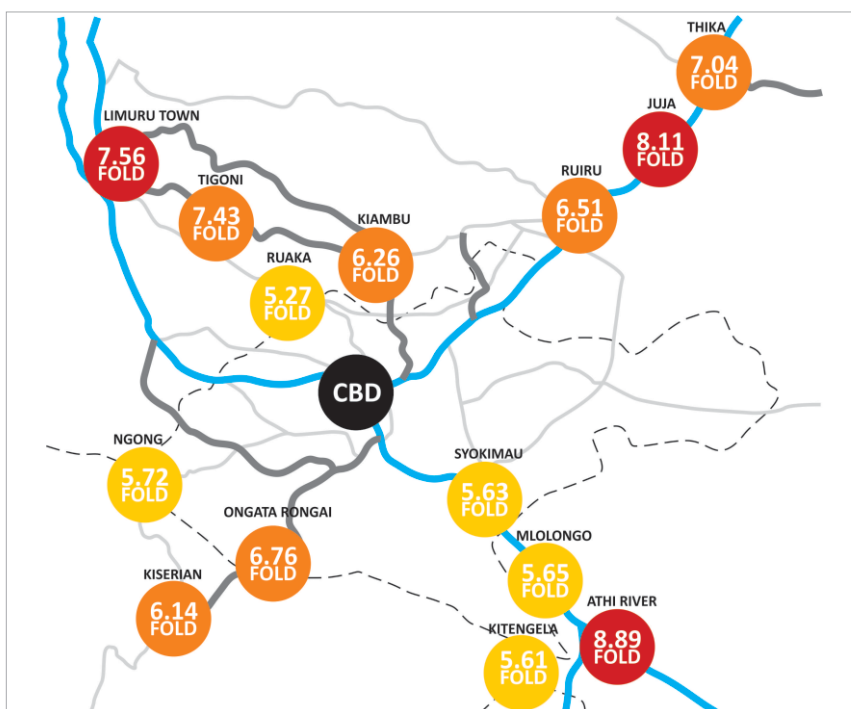
\*Price Values rounded to nearest Kshs. 100,000

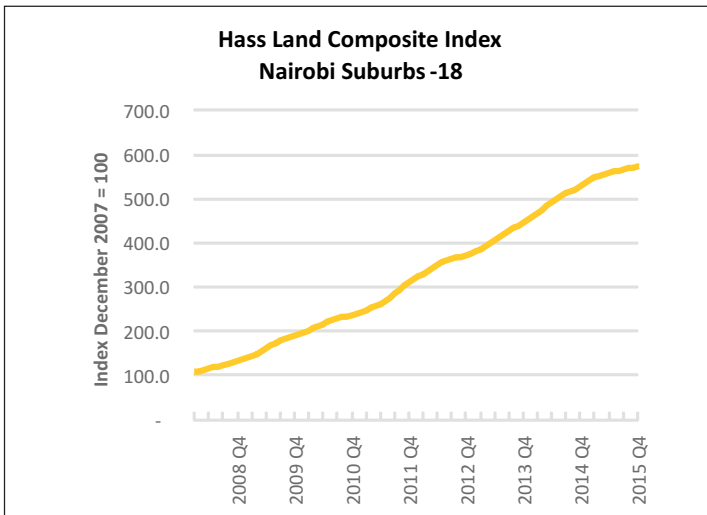
## Land Index Heat Maps

### Nairobi-18 Suburbs Change in Prices Since 2007



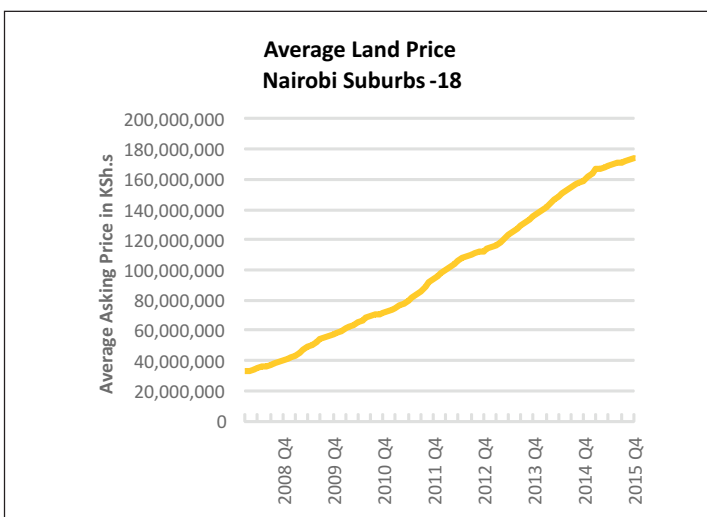
### Nairobi-14 Satellite Towns Change in Prices Since 2007





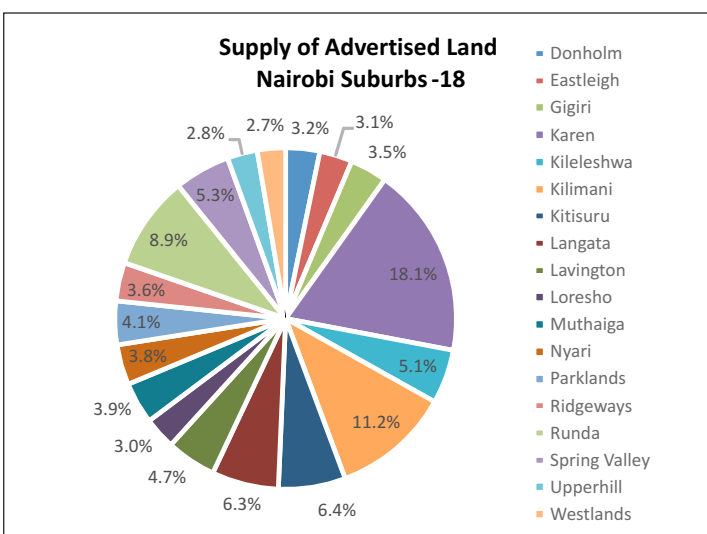
#### SNAP SHOTS:

- The Nairobi Suburbs-18 Land Index is representative of Land for Sale in Nairobi covering 18 highest activity suburbs
- Land values have increased by 5.74 fold since December 2007



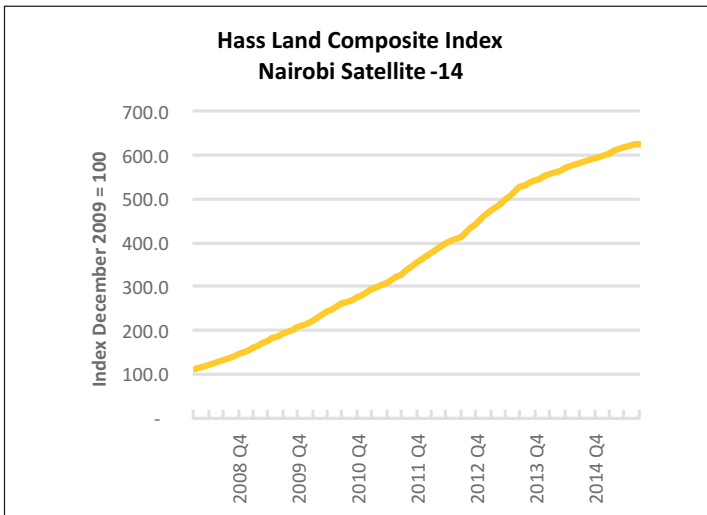
#### SNAP SHOTS:

- The annual average is representative of the average price of land for sale in Nairobi covering 18 highest activity suburbs
- The average value for land has gone from 30.3 million in December 2007 to 173.6 million in December 2015



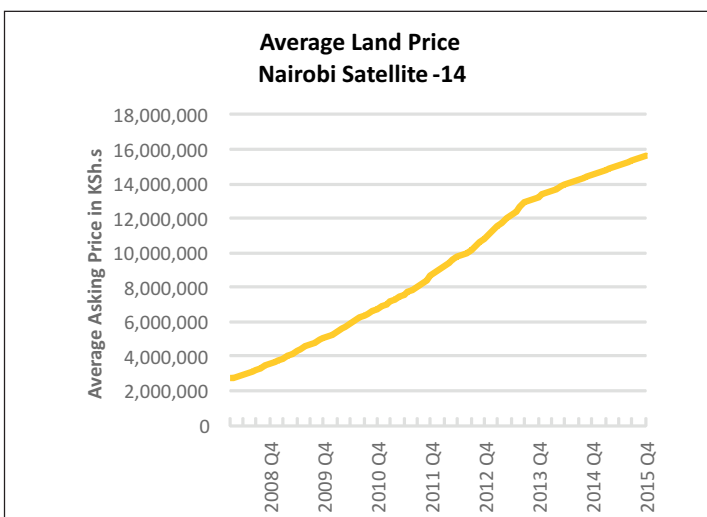
#### SNAP SHOTS:

- The Mix is a measure of the percentage that each suburb represents in the market for 18 Nairobi suburbs
- Land in Donholm took up 3.2% of the market, Eastleigh took up 3.1%, Gigiri 3.5%, Karen 18.1%, Kileleshwa 5.1% Kilimani 11.2%, Kitisuru 6.4%, Langata 6.3%, Lavington 4.7%, Loresho 3.0%, Muthaiga 3.9%, Nyari 3.8%, Parklands 4.1%, Ridgeways 3.6%, Runda 8.9%, Spring Valley 5.3%, Upperhill 2.8% and Westlands 2.7% respectively



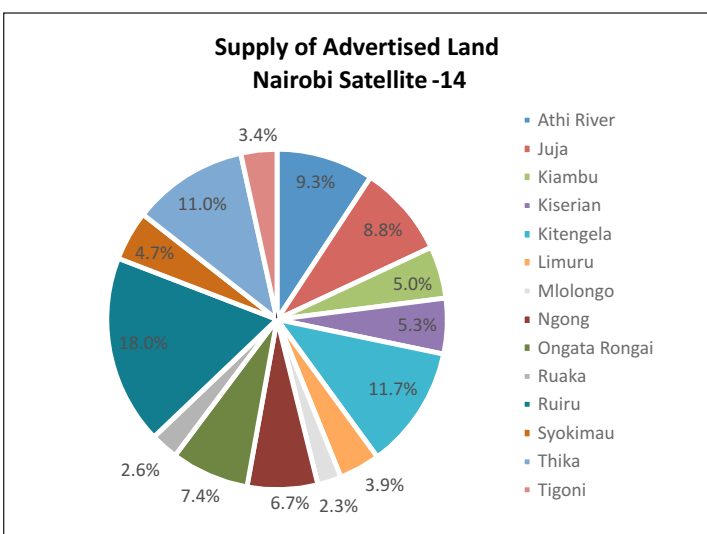
#### SNAP SHOTS:

- The Nairobi Satellite-14 Land Index is representative of Land for Sale in 14 Satellite towns outside Nairobi
- Land values have increased by 6.40 fold since December 2007



#### SNAP SHOTS:

- The annual average is representative of the average price of land for sale outside Nairobi covering 14 highest activity Satellite towns
- The average value for land has gone from 2.4 million in December 2007 to 15.6 million in December 2015



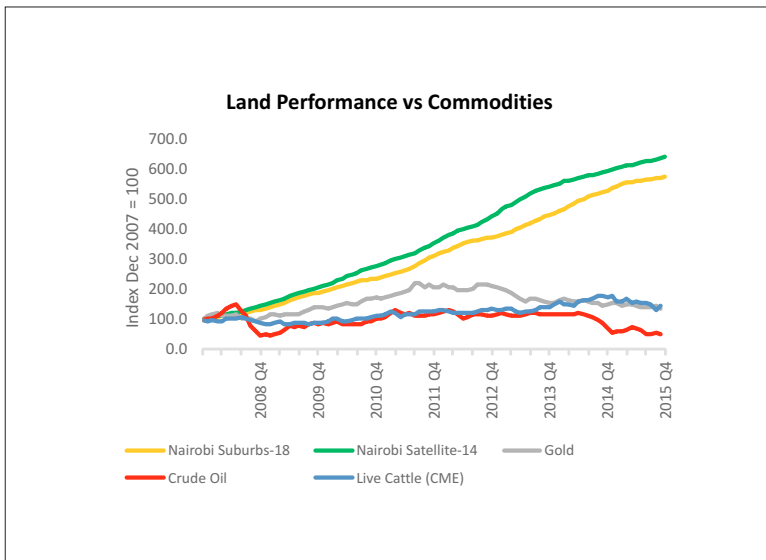
#### SNAP SHOTS:

- The Mix is a measure of the percentage that each town represents in the market for the Nairobi 14 Satellite towns
- Land in Athi River took up 9.3% of the market, Juja took up 8.8%, Kiambu 5.0%, Kiserian 5.3%, Kitengela 11.7% Limuru 3.9%, Mlolongo 2.3%, Ngong 6.7%, Ongata Rongai 7.4%, Ruaka 2.6%, Ruiru 18.0%, Syokimau 4.7%, Thika 11.0% and Tigoni 3.4% respectively.

## Land as an Investment

### SNAP SHOTS:

The Hass Land Composite Index, Nairobi Satellite-14 index value was 640 outperforming Nairobi Suburbs-18 which had an index value of 574, compared to Cattle which had a value of 134.6, Gold 133 and Crude Oil worst performing with only 40.9 index value.



### SNAP SHOTS:

Ksh. 1 million invested at the end of 2007 would have been worth KSh. 6.40m if invested in land in Nairobi Satellite-14, KSh. 5.74m if invested in land in Nairobi Suburb-18, KSh. 2.17m if invested in property (The Hass Sales Composite Index, All Properties), Ksh. 1.99m if invested in bonds and KSh. 1.14m if invested in savings.

