

## Property prices and rentals in satellite towns record the lowest annual growth rate in 8 years

- Property prices in Nairobi suburbs increased by 0.1 per cent in the fourth quarter of 2016 and posted a 7.6 per cent return over the year.
- Detached houses drove prices in low density suburbs up as they recorded the best performance with house asking prices for these property types increasing by 11.33 per cent in 2016 despite a slight dip of 0.21 per cent for the fourth quarter.
- Muthaiga was the best performing suburb in the fourth quarter and in 2016 with asking property prices increasing by 4.9 per cent and 15.8 per cent respectively.
- Satellite towns recorded an 8.6 per cent increase in asking property prices and a 4 per cent increase in asking rental prices in 2016, both the lowest annual increase witnessed in 8 years.

### Property Index Highlights:

The Hass Composite Sales Index	Quarter % Change	Annual % Change	Change From 2007
All Properties	0.1%	7.6%	2.6 Fold
Suburb with Highest Quarterly Increase in Sales Price	Muthaiga ( +4.9% over last quarter)		
Suburb with Highest Annual Increase in Sales Price	Muthaiga ( +15.8% over last year)		
Suburb with Lowest Quarterly Increase in Sales Price	Kilimani ( -3.5% over last quarter)		
Suburb with Lowest Annual Increase in Sales Price	Kilimani (-7.6% over last year)		

The Hass Composite Rental Index	Quarter % Change	Annual % Change	Change From 2007
All Properties	-0.1%	3.4%	2.1 Fold
Suburb with Highest Quarterly Increase in Rental Price	Ridgeways (+4.4% over last quarter)		
Suburb with Highest Annual Increase in Rental Price	Langata (+12.6% over last year)		
Suburb with Lowest Quarterly Increase in Rental Price	Westlands (-3.4% over last quarter)		
Suburb with Lowest Annual Increase in Rental Price	Westlands (-4.8% over last year)		

\* The Hass Composite Indices is a measure of advertised prices, based on a Mix Adjusted Methodology

HassConsult today unveiled the Hass Property price indices for the fourth quarter of 2016, showing a strong demand drive for exclusive suburbs that are less built up over suburbs that have high-density developments.

Despite a modest 0.1 per cent increase in asking property prices in Nairobi's suburbs there were pockets of stellar performance in the fourth quarter of 2016 with Muthaiga leading the pack in suburbs that recorded double digit increases in asking property prices.

Muthaiga was the best performing suburb with average house prices in the area increasing by 15.8 per cent in 2016, followed by Kitisuru at 14.2 per cent and Lang'ata at 13.5 per cent.

Similarly detached houses, which are mostly found in low density suburbs, recorded the best performance for the year posting an annual 11.3 per cent increase in asking prices despite a slight drop of 0.21 per cent drop in prices over the fourth quarter.

"Most of these suburbs are exclusively high end and just like other markets globally, high-end areas tend to be least affected in a sluggish economy whereas the areas with middle market properties which in Kenya constitute property in the satellite areas generally witness a marked slowdown," said Ms. Sakina Hassanali, Head of Research and Marketing at HassConsult.

Also affected by the macro economic environment in 2016 were Nairobi's high density suburbs. Kilimani posted the biggest annual price drop of 3.5 per cent. Data analysis shows this drop to be due to the price correction of recently oversupplied large apartments.

Average asking property prices for satellite towns increased by 1.5 per cent in the fourth quarter of 2016 and 8.6 per cent for the year ended 2016. Similarly rents increased by just 0.2 per cent for the fourth quarter of 2016 and by 4 per cent over the year.

Both sale and rental prices in satellite towns in 2016 have witnessed the lowest annual increase since 2008 attributable to the economic downturn that saw a cooling down of transaction numbers in these areas.

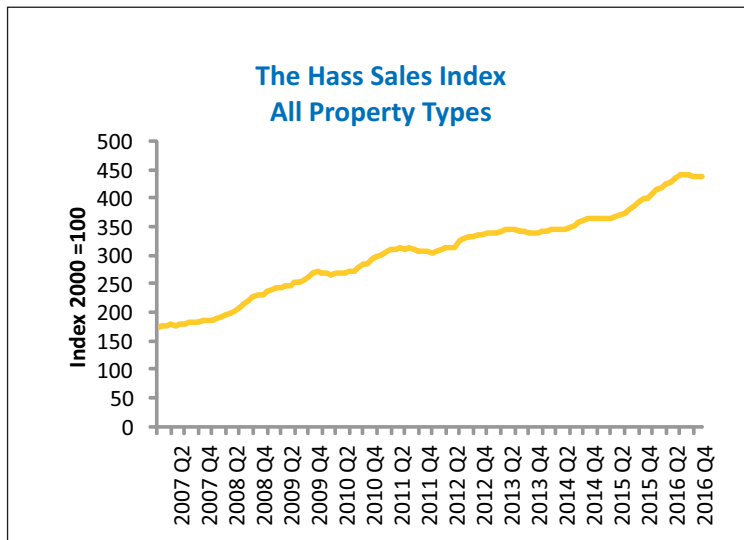
## **For more information, please contact:**

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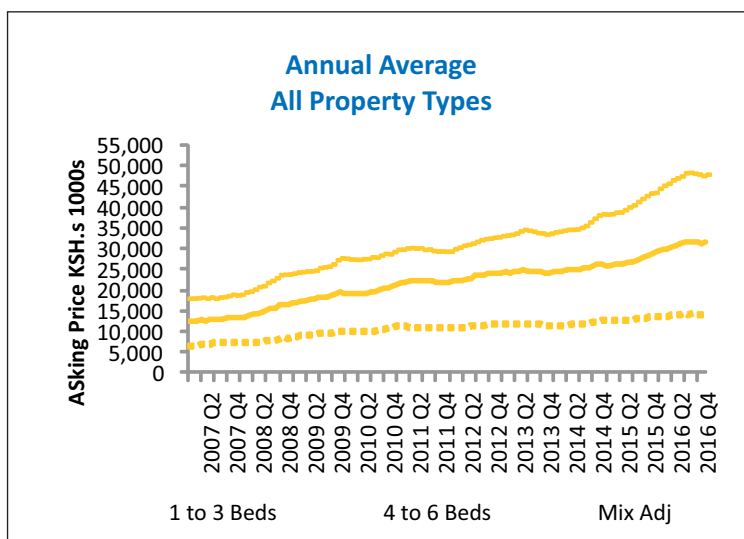
Nairobi Suburbs Property Index	Sales Prices			Rental Prices		
	Quarter % Change	Annual % Change	Change From 2007	Quarter % Change	Annual % Change	Change From 2007
Donholm	-2.0 %	-3.6 %	3.1 FOLD	0.0 %	-0.9 %	1.7 FOLD
Eastleigh	0.1 %	-0.3 %	2.9 FOLD	0.3 %	3.5 %	2.6 FOLD
Gigiri	0.3 %	10.8 %	2.6 FOLD	-0.6 %	3.2 %	1.9 FOLD
Karen	-0.1 %	13.0 %	3.1 FOLD	-0.7 %	7.6 %	1.9 FOLD
Kileleshwa	-0.4 %	7.7 %	2.5 FOLD	0.0 %	-1.4 %	2.1 FOLD
Kilimani	-3.5 %	-7.6 %	2.3 FOLD	1.3 %	4.0 %	1.8 FOLD
Kitisuru	2.0 %	14.2 %	2.7 FOLD	-1.8 %	-0.3 %	2.6 FOLD
Langata	2.3 %	13.5 %	3.5 FOLD	-0.2 %	12.6 %	1.9 FOLD
Lavington	0.5 %	7.6 %	2.4 FOLD	0.0 %	5.6 %	2.3 FOLD
Loresho	4.5 %	9.8 %	2.2 FOLD	0.4 %	4.2 %	2.4 FOLD
Muthaiga	4.9 %	15.8 %	2.0 FOLD	-3.0 %	0.3 %	2.5 FOLD
Nyari	3.2 %	13.0 %	2.3 FOLD	-0.8 %	-2.5 %	1.6 FOLD
Parklands	-2.1 %	7.2 %	2.9 FOLD	1.4 %	2.4 %	2.1 FOLD
Ridgeways	-1.1 %	0.5 %	2.3 FOLD	4.4 %	11.0 %	2.2 FOLD
Runda	1.1 %	10.3 %	3.1 FOLD	0.4 %	4.1 %	1.8 FOLD
Spring Valley	0.8 %	9.6 %	2.2 FOLD	-0.4 %	6.2 %	1.9 FOLD
Upperhill	-1.7 %	1.7 %	3.1 FOLD	3.0 %	4.5 %	3.3 FOLD
Westlands	0.7 %	2.1 %	2.5 FOLD	-3.4 %	-4.8 %	2.2 FOLD

Nairobi Satellite Town Property Index	Sales Prices			Rental Prices		
	Quarter % Change	Annual % Change	Change From 2007	Quarter % Change	Annual % Change	Change From 2007
Athi River	-0.3 %	11.0 %	2.4 FOLD	-1.1 %	1.9 %	1.5 FOLD
Juja	-1.6 %	7.1 %	2.8 FOLD	6.6 %	15.0 %	2.7 FOLD
Kiambu	3.9 %	6.4 %	2.6 FOLD	-0.1 %	9.2 %	2.4 FOLD
Kiserian	1.3 %	4.0 %	2.5 FOLD	-0.6 %	-3.2 %	2.3 FOLD
Kitengela	1.6 %	9.9 %	2.4 FOLD	2.5 %	6.9 %	2.0 FOLD
Limuru	1.1 %	7.6 %	2.4 FOLD	2.3 %	10.0 %	2.0 FOLD
Mlolongo	-0.9 %	0.0 %	1.6 FOLD	-0.8 %	-0.7 %	2.1 FOLD
Ngong	1.5 %	15.0 %	2.4 FOLD	-0.3 %	3.0 %	2.1 FOLD
Ongata Rongai	0.8 %	10.0 %	2.5 FOLD	0.7 %	6.0 %	2.2 FOLD
Ruaka	-0.1 %	7.1 %	1.9 FOLD	2.8 %	6.5 %	2.0 FOLD
Ruiru	1.1 %	13.8 %	3.0 FOLD	1.3 %	22.3 %	2.2 FOLD
Syokimau	-0.6 %	0.6 %	1.9 FOLD	-0.5 %	-1.6 %	2.0 FOLD
Thika	0.2 %	-1.8 %	1.9 FOLD	0.1 %	3.1 %	2.0 FOLD
Tigoni	1.9 %	6.8 %	2.0 FOLD	0.9 %	-0.3 %	1.8 FOLD



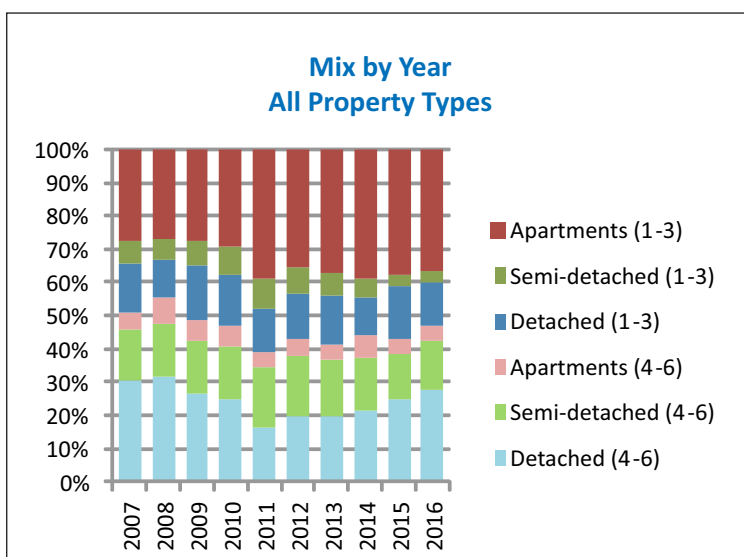
**SNAP SHOTS:**

- The Hass Composite Sales Index is representative of all properties for sale in Kenya
- Property values have increased by 4.38 times since 2000.
- The index shows a property price fall of -0.1% in the last quarter and a 9.5% rise in the last year.



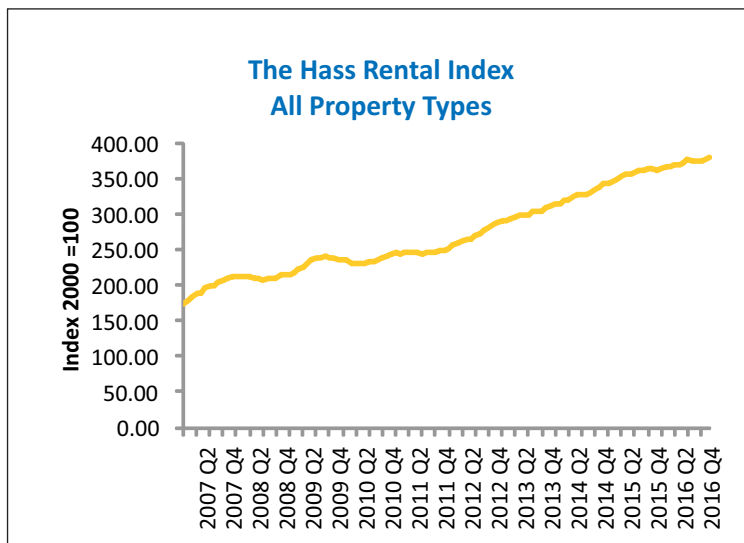
**SNAP SHOTS:**

- 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 31.4 million in December 2016.
- The average value for a 4-6 bedroom property is currently 48.1 million.
- The average value for a 1-3 bedroom property is currently 14.2 million.



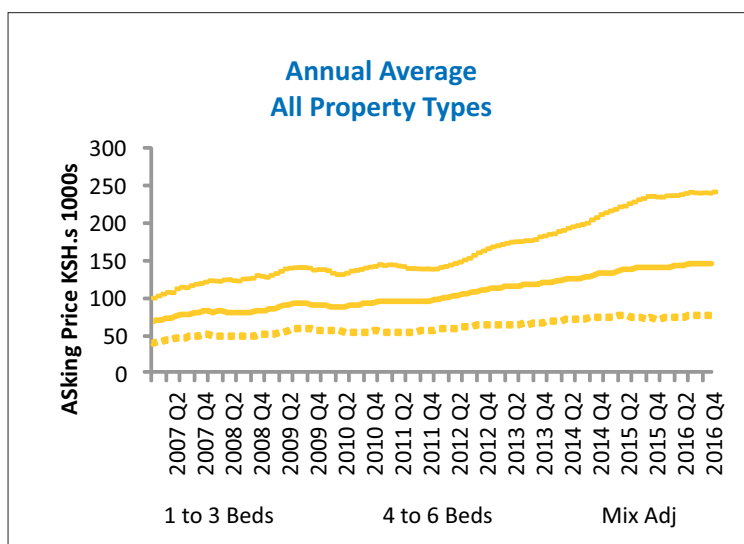
**SNAP SHOTS:**

- The Mix by Year is a measure of the percentage that each type of property represents in the market.
- In 2000, 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 December 2016 however, Apartments took up 40.7% of the market, Semi-detached Houses took up 18.7% of the market and Detached Houses took up 40.6% of the market.



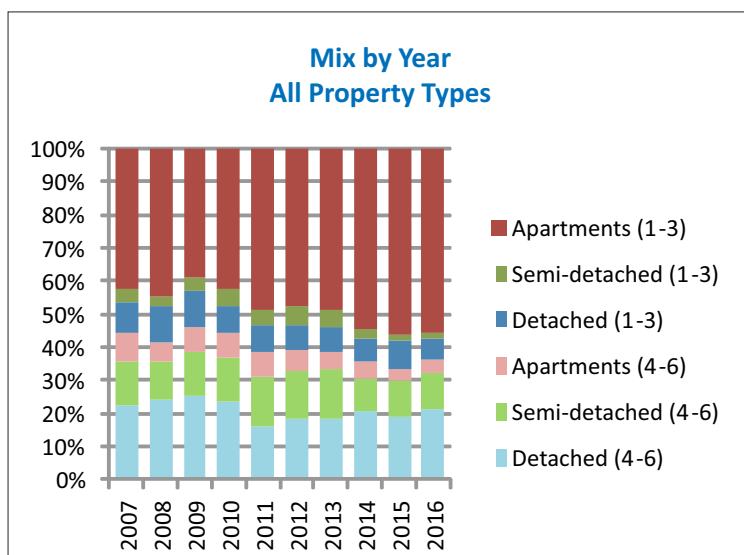
**SNAP SHOTS:**

- The Hass Composite Letting Index is representative of all properties for rental in Kenya
- Rents have increased by 3.79 fold since 2000
- The index shows rents have increased by 1.0% in the last quarter but have risen by 4.9% 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. 146,141 in December 2016.
- The average rent for a 4-6 bedroom property is currently Kshs. 242,485
- The average rent for a 1-3 bedroom property is currently Kshs. 76,568



**SNAP SHOTS:**

- The Mix by Year is a measure of the percentage that each type of property represents in the market.
- In 2000, 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 December 2016 however, Apartments took up 59.5% of the market, Semi-detached Houses took up 12.8% of the market and Detached Houses took up 27.7% of the market.