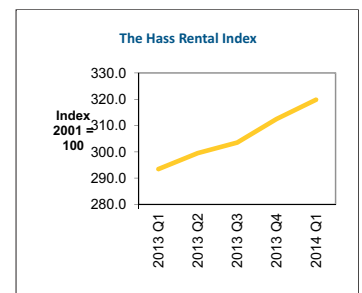
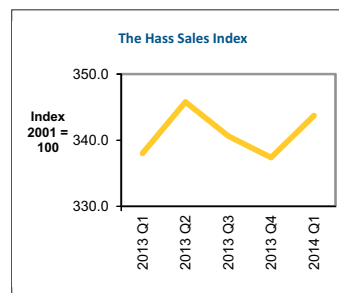


Property prices bounce back, as rents keep rising

- House sale prices bounced back in Q1 after the dip of the second half of 2013
- Asking prices for detached and semi detached houses rose 1.8 per cent compared with the previous quarter
- The price bounce was most pronounced for apartments, up 2.3 per cent on Q4 2013
- Rent rises also accelerated marginally in the first quarter
- Rents for detached houses rose more sharply, up 2.3 per cent, as did apartment rents, up 2.2 per cent
- The strongest rent growth continued in semi-detached houses, but at a slower rate of 2.7 per cent higher than the previous quarter, making rents for semi-detached houses 18.1 per cent higher than a year earlier
- Sales volumes rose, but most markedly for cash-financed high-end properties

Index Highlights:

SALES AND RENTAL INDEX YEAR TO Q1



HEADLINES - HASS SALES INDEX	% Change in Quarter	% Change in Year
All Properties	1.9%	1.7%
Detached Houses	1.8%	1.1%
Semi-detached Houses	1.8%	3.5%
Apartments	2.3%	1.9%

* 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	2.3%	9.0%
Detached Houses	2.3%	8.7%
Semi-detached Houses	2.7%	18.1%
Apartments	2.2%	4.1%

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

Hass consult today announced property price data for the first quarter of 2014 revealing a pronounced bounce back in house and apartment sales prices, and continuing rent rises.

The consultancy reported that property sales volumes also picked up from January and February and were markedly strong in March. However, the most intense activity was at the top of the market, with the cheapest properties still taking the longest to sell.

“The market continues to be handicapped by the lack of access to mortgages for mid-level and lower level buyers,” said Ms Sakina Hassanali, head of marketing for Hass Consult.

“Nationwide, the demand for housing is strongest at the lowest end of the market, but the financing options are almost non-existent, rendering the private sector property market a high-end affair for so long as property remains a cash purchase only,” she said.

The bottleneck in housing finance also continued to push rents up, as professional Kenyans stayed in rented accommodation, with the rental of choice being semi-detached town houses.

Asking rents for semi-detached houses rose a further 2.3 per cent in the first quarter of 2014 compared with prices from October to December last year, and were 18.1 per cent higher on a year earlier.

The rent rises for detached houses were much more subdued, at 8.7 per cent on a year earlier, while apartment rents rose by 4.4 per cent across the year.

“With the finance blockage also impacting landlords in acquiring new properties, and the rental yields on properties still at less than mortgage interest rates, the race is now on to get rents up to a level where landlords can cover finance costs and not end up making losses,” said Ms Hassanali.

Until then, and with cash buyers continuing to drive the market, some further asking price rises are likely in 2014, based on the reduced flow of new building - caused by the high levels of finance costs for developers.

However, many developers have now found alternative means of financing, either by raising money outside Kenya, or through taking equity stakes in projects.

“The outlook is for some marginal improvement in the rate of new building from this year, but a market that will continue to be substantially oriented to cash buyers, meaning substantially the very wealthy: until housing finance becomes a policy priority,” said Ms Hassanali.

For more information, please contact:

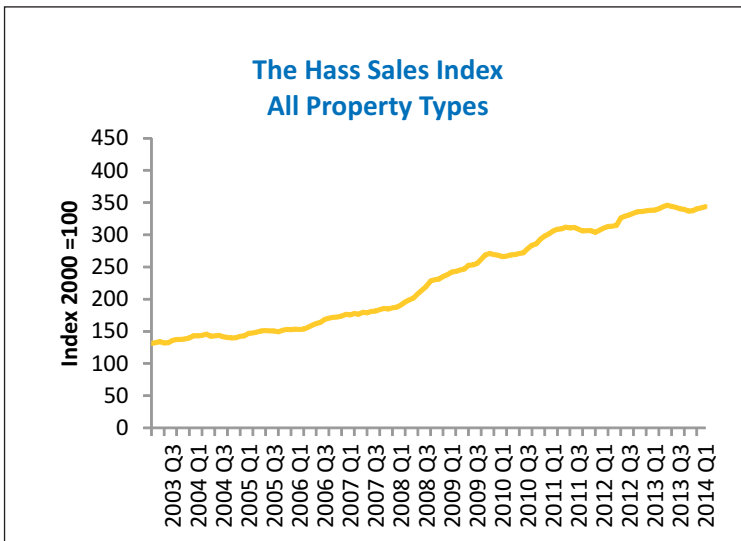
Sakina Hassanali

Head of Marketing & Research

HassConsult Ltd

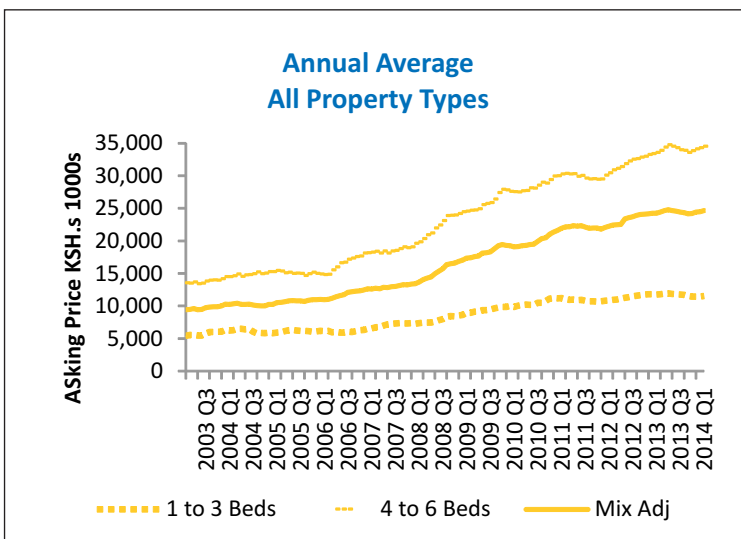
ABC Place, Westlands

Tel: +254 020 4446914



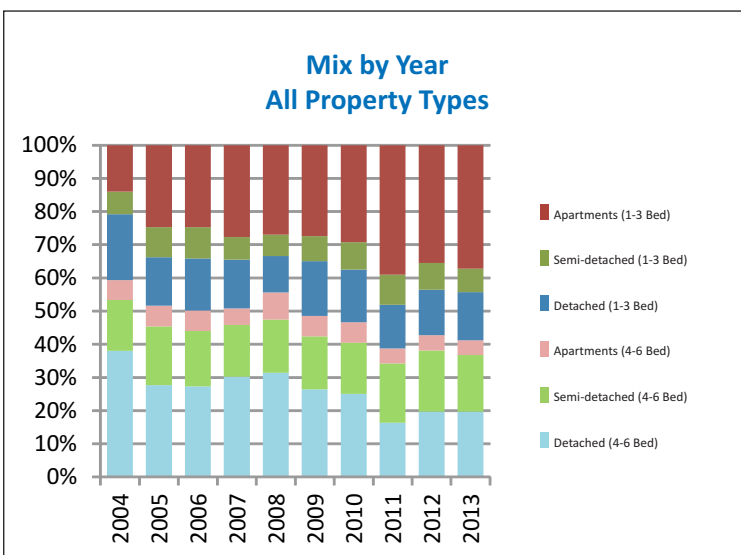
SNAP SHOTS:

- The Hass Composite sales Index is representative of all property for sale in Kenya
- Property values have increased by 3.44 times since 2000.
- The index shows a property price rise of 1.9% in the last quarter and a 1.7% rise in the last year.



SNAP SHOTS:

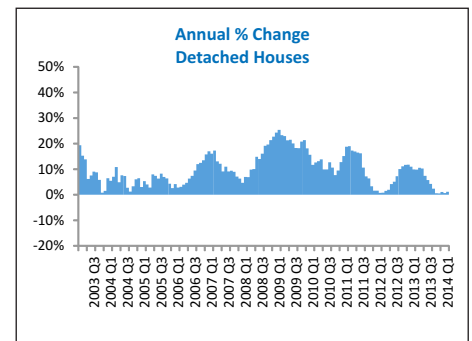
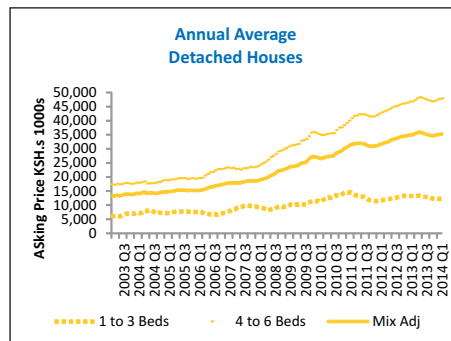
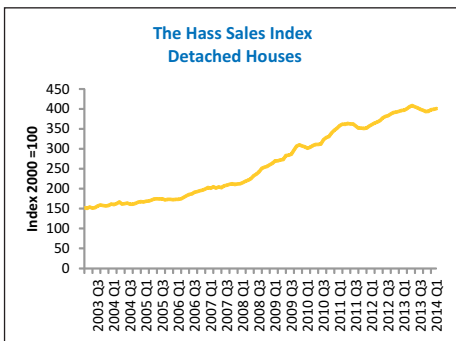
- The annual average is representative of the average price of all properties offered for sale in Kenya.
- The average value for a property has gone from 7.1 million in December 2000 to 24.6 million in March 2014.
- The average value for a 4-6 bedroom property is currently 34.5 million.
- The average value for a 1-3 bedroom property is currently 11.5 million.



SNAP SHOTS:

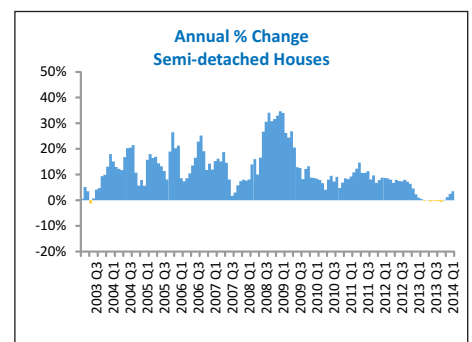
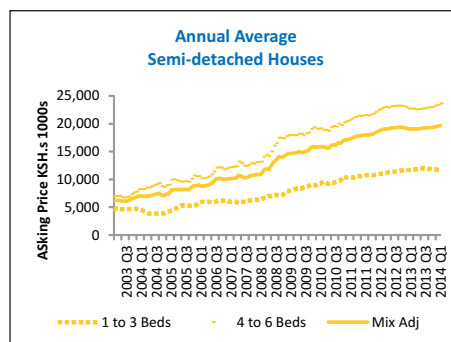
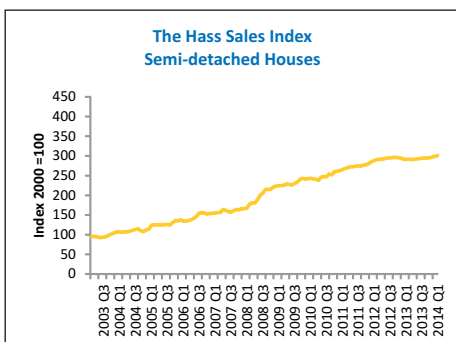
- The Mix by Year is a measure of the percentage that each type of property represents in the market.
- In 2001, apartments took up 23.5% of the market, semi-detached took up 24.5% of the market and detached houses took up 52% of the market.
- In December 2013 however, Apartments took up 41.7% of the market, Semi-detached Houses took up 24.0% of the market and Detached Houses took up 34.3% of the market.

Breakdown of 10 years data by Year



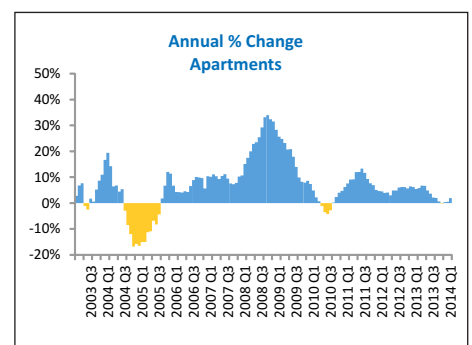
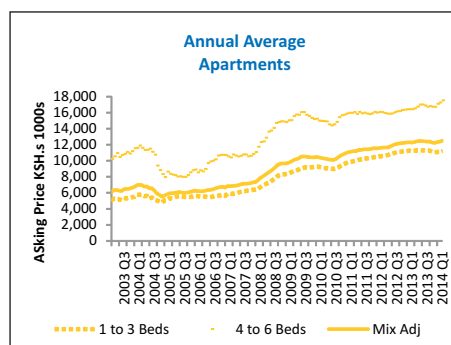
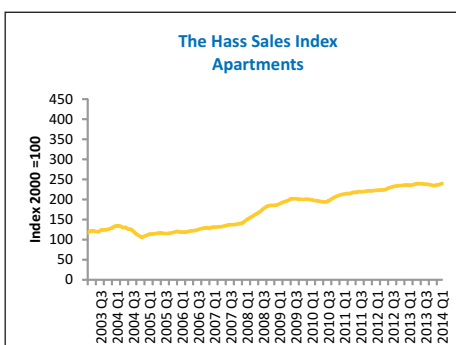
SNAP SHOTS:

- 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 4.01 times since 2001, a 1.8% rise in the last quarter and a 1.1% rise in the last year. The average price for a Detached House is currently 35.3 million up from 8.8 million in December 2000.



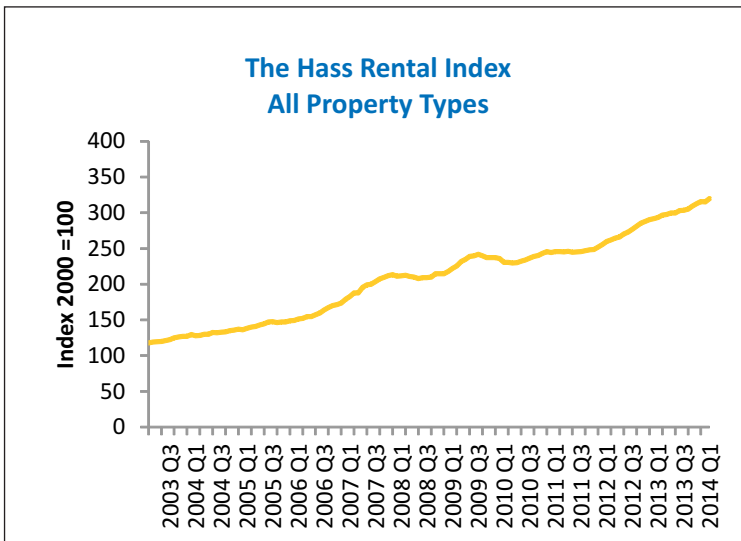
SNAP SHOTS:

- Semi-detached houses include townhouses and maisonettes that are semi-detached or terraced.
- Property values for Semi-detached Houses have increased by 3.01 times since 2001, a 1.8% rise in the last quarter and a 3.5% rise in the last year. The average price is currently 19.7 million up from 6.5 million in December 2000.



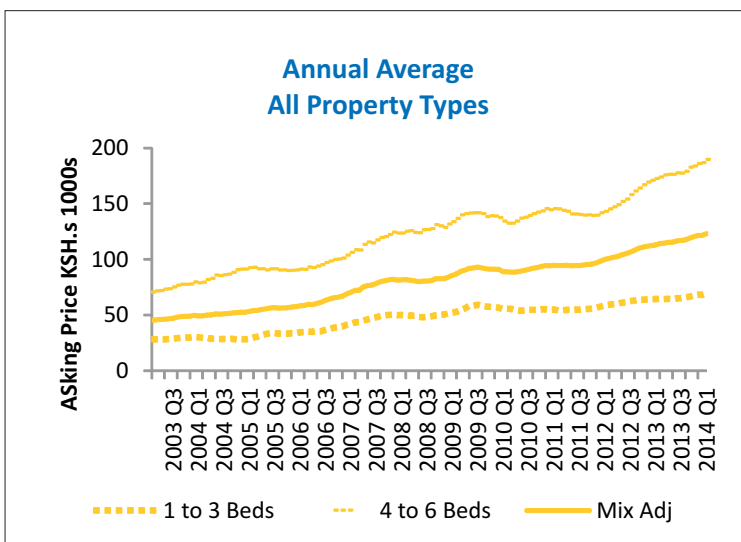
SNAP SHOTS:

- Apartments include apartments, duplexes and triplexes.
- Property values for Apartments have increased by 2.40 times since 2001, a 2.3% rise in the last quarter and a 1.9% rise in the last year. The average price for an Apartment is currently 12.5 million up from 5.2 million in December 2000.



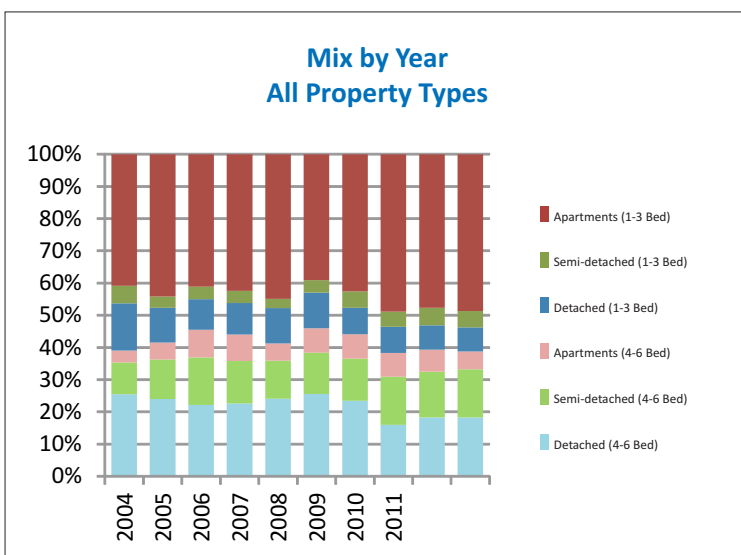
SNAP SHOTS:

- The Hass Composite Letting Index is representative of all property for rental in Kenya
- Rents have increased by 3.20 times since 2001
- The index shows rents have risen by 2.3% in the last quarter but have risen by 9.0% in the last year.



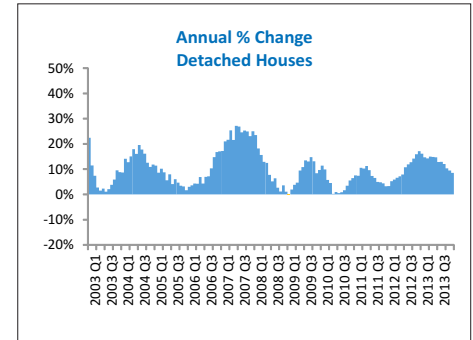
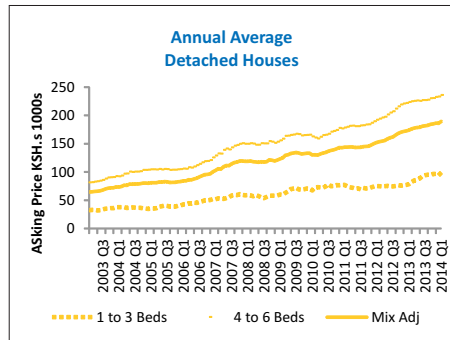
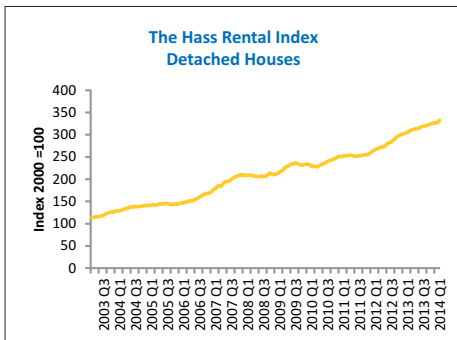
SNAP SHOTS:

- 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. 123,197 in March 2014.
- The average rent for a 4-6 bedroom property is currently Kshs. 189,843
- The average rent for a 1-3 bedroom property is currently Kshs. 69,397



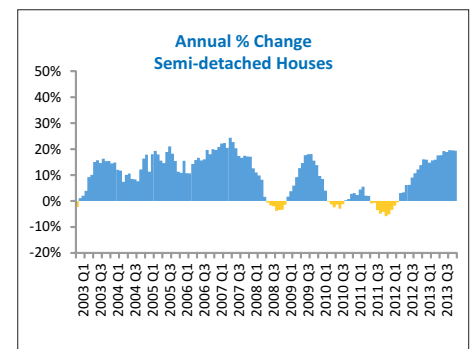
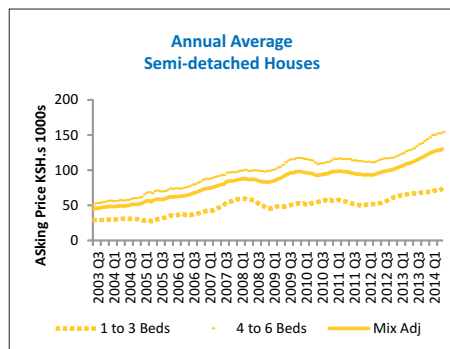
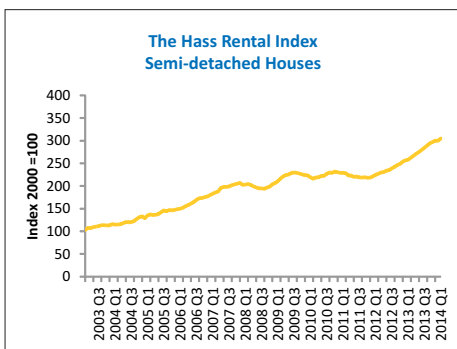
SNAP SHOTS:

- 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 Houses took up 20.5% of the market and Detached Houses took up 34.1% of the market.
- In December 2013 however, Apartments took up 54.3% of the market, Semi-detached Houses took up 20.0% of the market and Detached Houses took up 25.7% of the market.



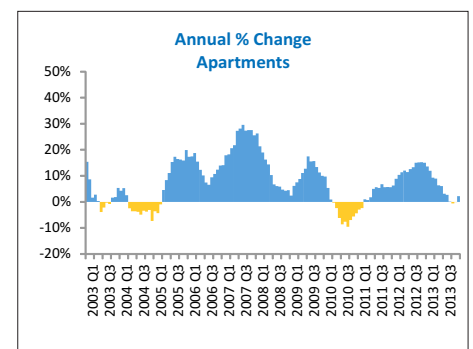
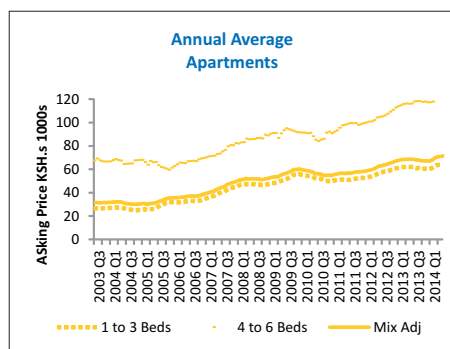
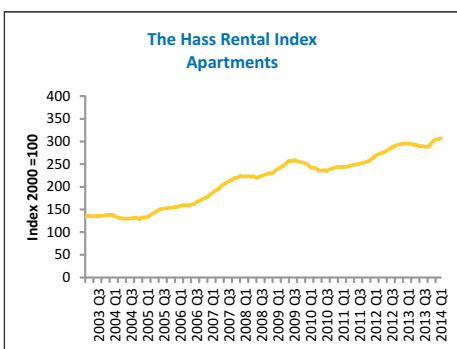
SNAP SHOTS:

- 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 3.32 times since 2001, a 2.3% rise in the last quarter and an 8.7% rise in the last year. The average rental for a Detached House is currently Kshs. 189,332 up from Kshs. 56,959 in December 2000.



SNAP SHOTS:

- Semi-Detached houses include townhouses and maisonettes that are semi-detached or terraced.
- Rental values Semi-detached Houses have increased by 3.05 times since 2001, a 2.7% rise in the last quarter and an 18.1% rise in the last year. The average rental is currently Kshs. 130,142 up from Kshs. 42,688 in December 2000.



SNAP SHOTS:

- Apartments include apartments, duplexes and triplexes.
- Rental values for Apartments have increased by 3.07 times since 2001, 2.2% rise in the last quarter and a 4.1% rise in the last year. The average rent for an Apartment is currently Kshs. 71,370 up from Kshs. 21,638 in December 2000.