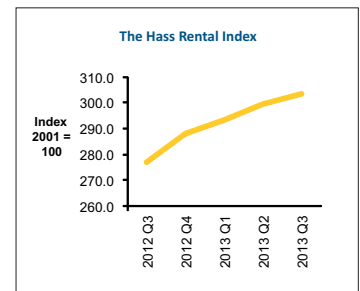
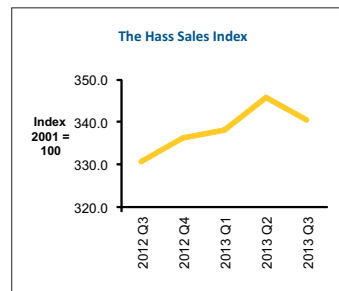


## Detached house prices drop in slow market

- Asking prices for properties fell in the third quarter of 2013, by 1.5 per cent
- The most significant drop came in asking prices for detached houses, down 2.3 per cent on three months earlier
- Asking prices for apartments also fell, by 0.8 per cent. Semi-detached houses, however, saw some recovery in asking prices for falls earlier in the year, up 0.8 per cent on the previous quarter.
- The volume of interest in property buying held up better in the quarter, than rental interest, which fell markedly even as asking rents rose by 1.3 per cent
- The sharpest rise in rents came for semi-detached houses, up a significant 4.7 per cent on the previous three months.
- Asking rents for detached houses also rose, by 1.7 per cent, but at a sharply lower rate of growth than earlier in the year while apartment rents fell by 1.3 per cent on the previous quarter

### Index Highlights:

#### SALES AND RENTAL INDEX YEAR TO Q3



HEADLINES - HASS SALES INDEX	% Change in Quarter	% Change in Year
All Properties	-1.5%	3.0%
Detached Houses	-2.3%	4.2%
Semi-detached Houses	0.8%	-0.3%
Apartments	-0.8%	2.2%

\* 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	1.3%	9.6%
Detached Houses	1.7%	12.1%
Semi-detached Houses	4.7%	18.9%
Apartments	-1.5%	0.1%

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

HassConsult today announced results for the Hass property price indices for the third quarter of 2013, reflecting a degree of slowdown in the property market within a generally sluggish economic environment.

“Hopes that renewed investor confidence would spark an upturn in economic activity from the second quarter have been dampened by several factors, including the aggressive collection of public sector revenues. But subdued economic growth has not yet dented property prices, which continue to record some increases,” said Ms Sakina Hassanali, Head of Marketing and Research at HassConsult.

The most significant drop in asking prices was for detached properties, where asking prices fell by 2.3 per cent from July to September, compared with three months earlier. This top end of the market was the most effected, as buyers continued to experience financial pressures, and with new cash for unmortgaged purchasing also showing signs of slowdown.

Semi-detached houses, however, fared somewhat better, with asking prices up by 0.8 per cent. Sales in this segment were supported by a resumed, albeit marginal, flow of mortgages, and purchasing by cash buyers unable to reach standalone prices. The supply of semi-detached houses was also tighter than in other segments, with this section of the market the most effected by the slowdown in building last year, following the jumps in interest rates.

Closing prices for semi-detached houses also saw some rises up by close to 2 per cent in the quarter on the three months earlier.

The general tightening in finances also brought some clustering into semi-detached house rentals, with asking rents jumping a notable 4.7 per cent in the quarter, as the urban middle classes and those enjoying greater affluence continued to find mortgages out of reach, as well as detached house rents, leading to a concentration into semi-detached house rentals.

In the apartment market, the signs of financial pressure came in both apartment buying and renting, with apartment prices dropping by 0.8 per cent, and asking rents by 1.3 per cent.

“Buying enquiries were up on the levels seen earlier in the year, but were lower than had been anticipated,” said Sakina Hassanali. “Generally, the economy has not picked up since the election, and there is still some hesitancy by investors around the nation's political future and stability. At the same time, pressures such as the broader imposition of VAT have impacted the middle and lower market, and business generally.”

“The market remains resilient, but current economic pressures could now see some easing of property prices, most particularly at the top of the market, but also across apartment prices and rents.”

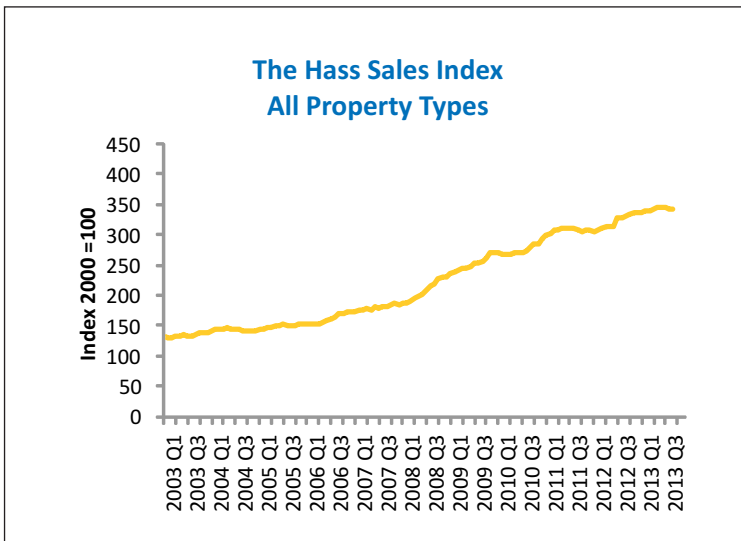
For more information, please contact:

**Sakina Hassanali - Head of Marketing & Research**

HassConsult Ltd

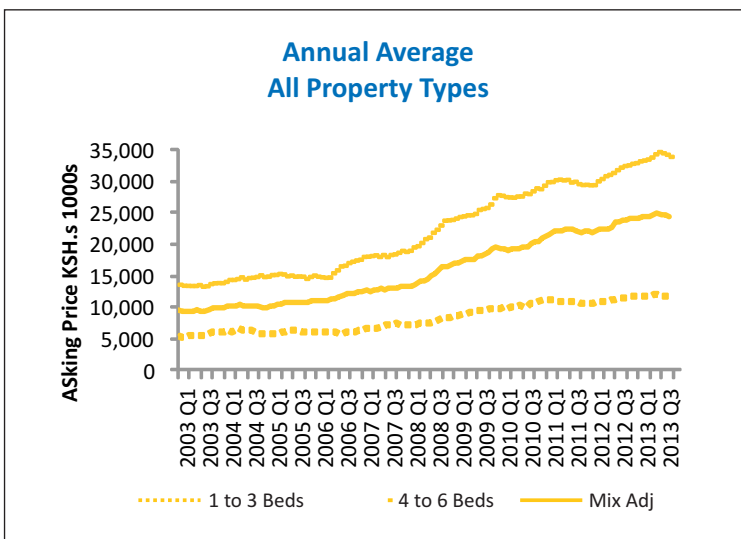
ABC Place, Westlands

Tel: +254 020 4446914



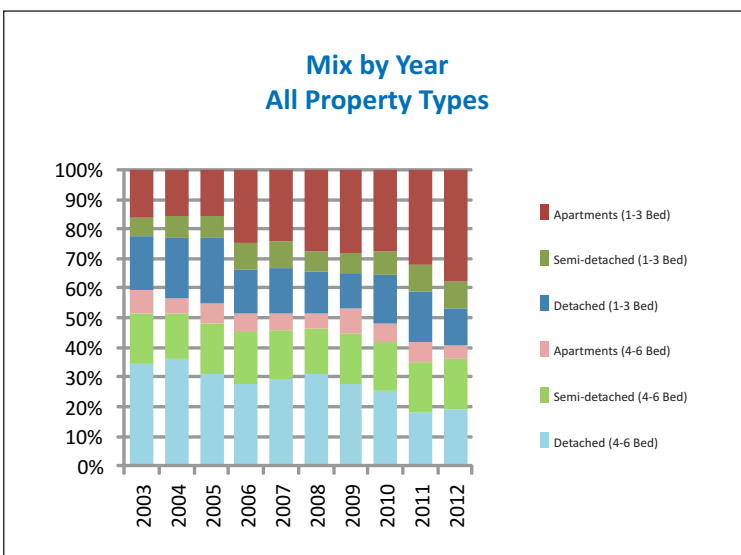
**SNAP SHOTS:**

- The Hass Composite sales Index is representative of all property for sale in Kenya
- Property values have increased by 3.41 times since 2000.
- The index shows a property price fall of 1.5% in the last quarter and a 3.0% rise in the last year.



**SNAP SHOTS:**

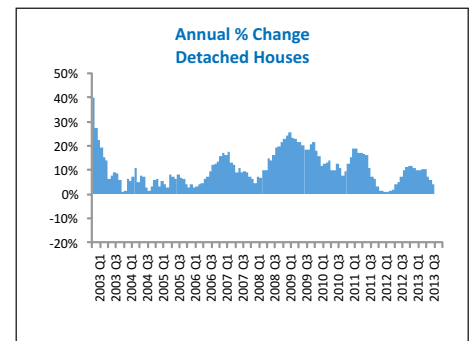
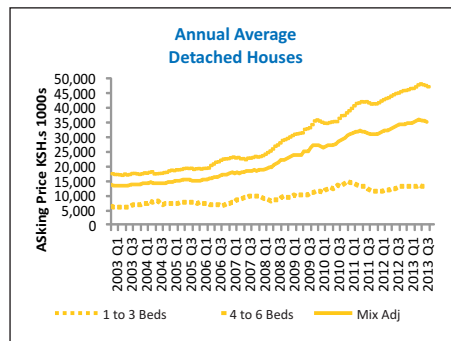
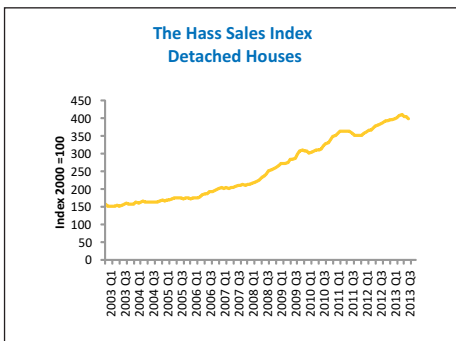
- The annual average is representative of the average price of all properties offered for sale in Kenya.
- The average value for a property has gone from 7.1 million in December 2000 to 24.4 million in September 2013.
- The average value for a 4-6 bedroom property is currently 34.0 million.
- The average value for a 1-3 bedroom property is currently 11.7 million.



**SNAP SHOTS:**

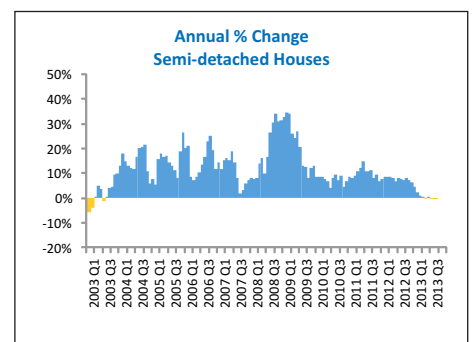
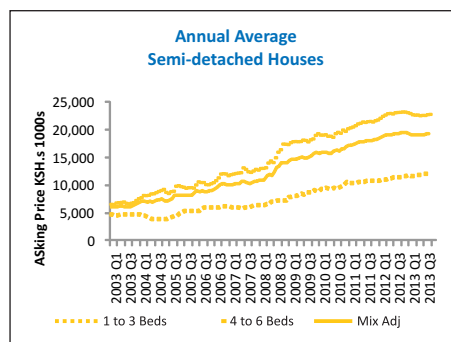
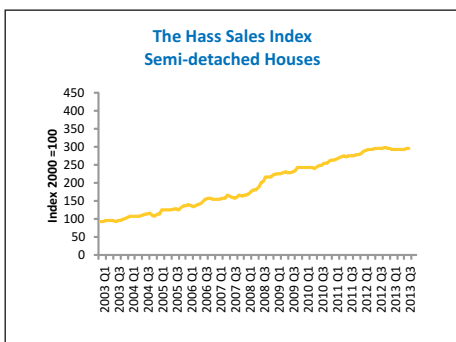
- The Mix by Year is a measure of the percentage that each type of property represents in the market.
- In 2001, apartments took up 23.5% of the market, semi-detached took up 24.5% of the market and detached houses took up 52% of the market.
- In 2013 however, apartments took up 40.1% of the market, semi-detached houses took up 26.5% of the market and detached houses took up 33.4% of the market.

Breakdown of 10 years data by Year



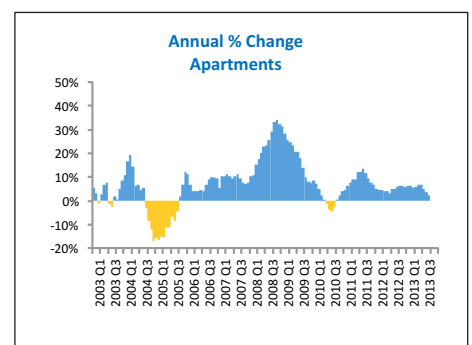
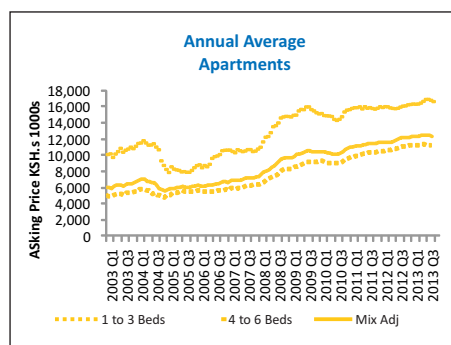
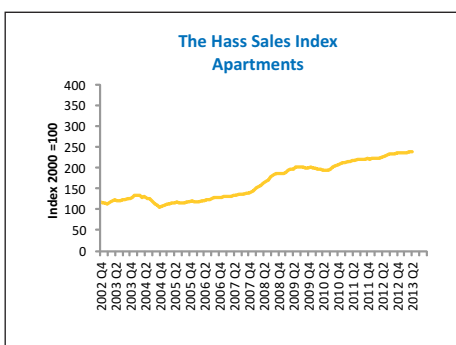
**SNAP SHOTS:**

- 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 3.99 times since 2001, a 2.3% fall in the last quarter and a 4.2% rise in the last year. The average price for a detached house is currently 35.1 million up from 8.8 million in December 2000.



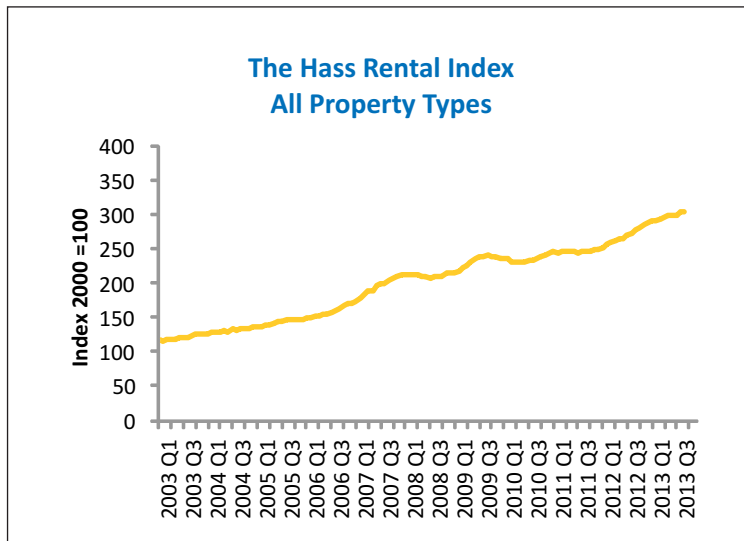
**SNAP SHOTS:**

- Semi-detached houses include townhouses and maisonettes that are semi-detached or terraced.
- Property values for semi-detached houses have increased by 2.94 times since 2001, a 0.8% rise in the last quarter and a 0.3% fall in the last year. The average price for a semi-detached house is currently 19.2 million up from 6.5 million in December 2000.



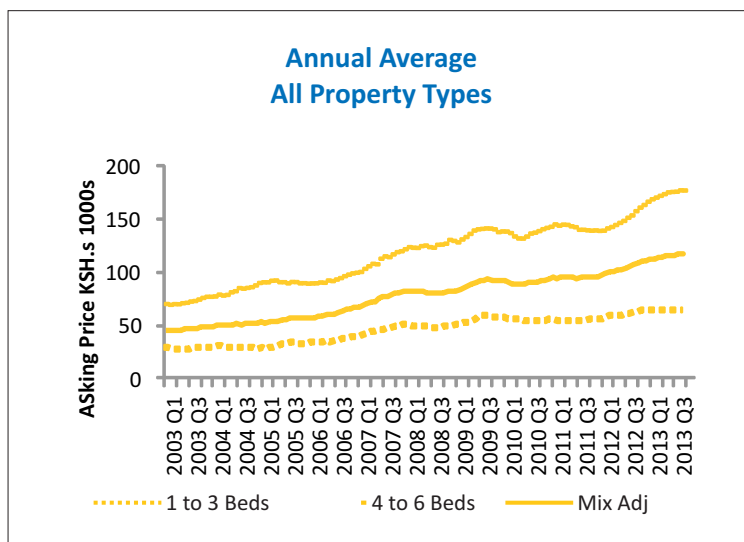
**SNAP SHOTS:**

- Apartments include apartments, duplexes and triplexes.
- Property values for apartments have increased by 2.38 times since 2001, a 0.8% fall in the last quarter and a 2.2% rise in the last year. The average price for an apartment is currently 12.4 million up from 5.2 million in December 2000.



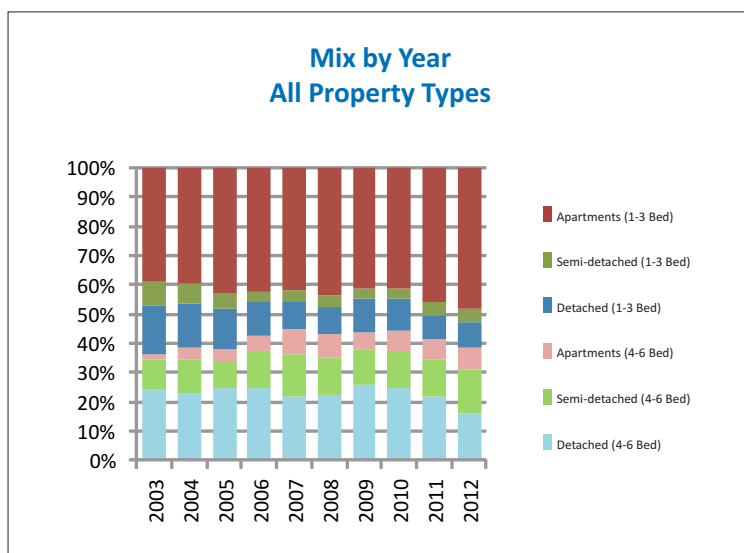
#### SNAP SHOTS:

- The Hass Composite Letting Index is representative of all property for rental in Kenya
- Rents have increased by 3.04 times since 2001
- The index shows rents have risen by 1.3% in the last quarter but have risen by 9.6% in the last year.



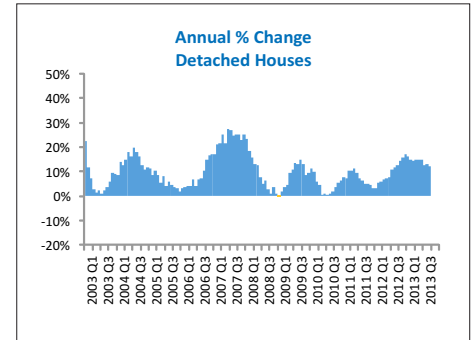
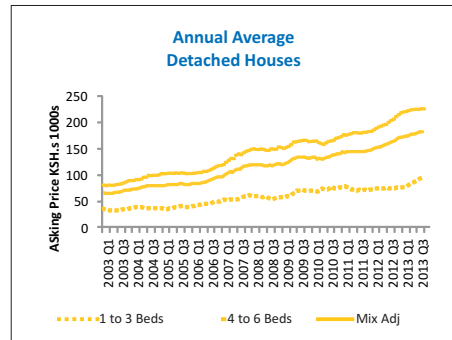
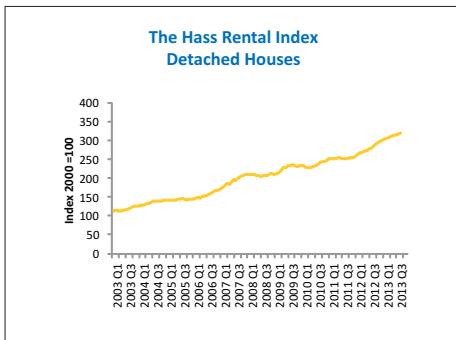
#### SNAP SHOTS:

- 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. 116,899 in September 2013.
- The average rent for a 4-6 bedroom property is currently Kshs. 177,511
- The average rent for a 1-3 bedroom property is currently Kshs. 65,051



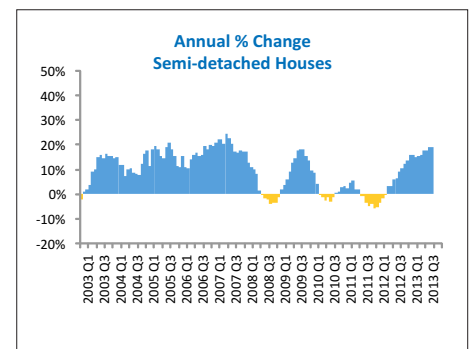
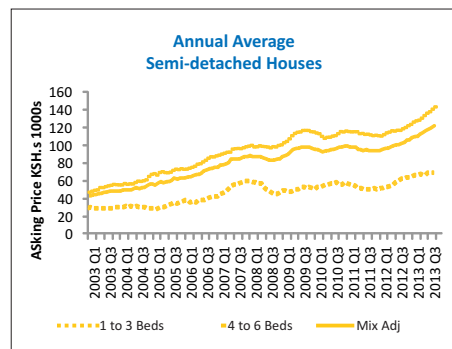
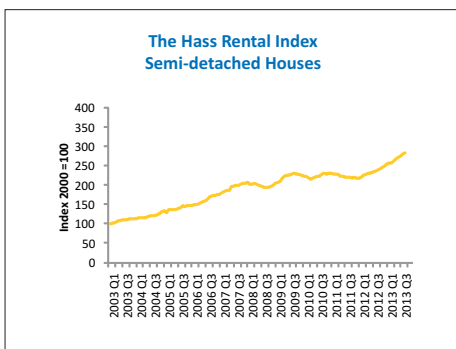
#### SNAP SHOTS:

- 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 54.5% of the market, semi-detached took up 19.7% of the market and detached houses took up 25.8% of the market.



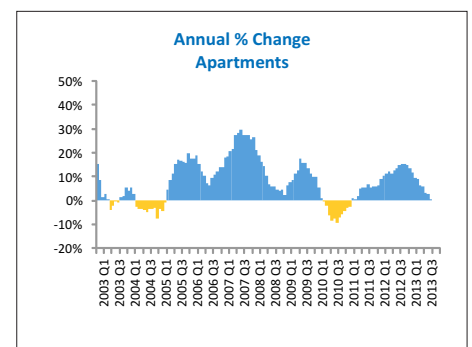
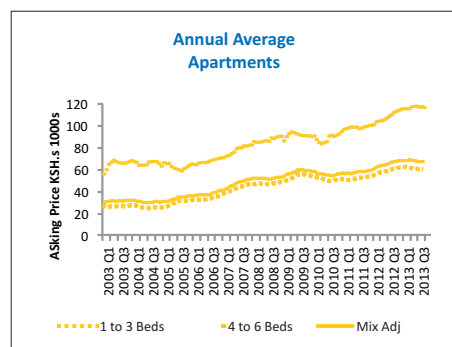
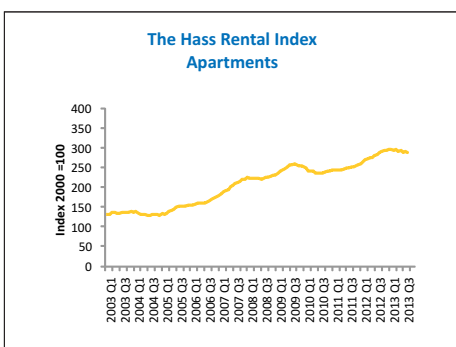
**SNAP SHOTS:**

- 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 3.19 times since 2001, a 1.7% rise in the last quarter and a 12.1% rise in the last year. The average rental for a detached house is currently Kshs. 181,631 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 2.84 times since 2001, a 4.7% rise in the last quarter and a 18.9% rise in the last year. The average rental for a semi-detached house is currently Kshs. 121,314 up from Kshs. 42,688 in December 2000.



**SNAP SHOTS:**

- Apartments include apartments, duplexes and triplexes.
- Rental values for apartments have increased by 2.88 times since 2001, 1.5% fall in the last quarter and a 0.1% rise in the last year. The average rent for an apartment is currently Kshs. 67,038 up from Kshs. 21,638 in December 2000.