

## Land Prices Ease as Covid-19 Lowers Market Liquidity

- Nairobi suburbs and satellite towns land prices mildly ease by 0.9 percent and 0.21 over the quarter
- Investors show reduced appetite for land on speculation that there is room for further price drops
- Kitengela bucks the trend with prices rising by 12.7% in the last 12 months
- Nairobi suburbs show biggest drop since Index was launched
- Land still outpacing other asset classes
- Temporary closure of lands registry as a COVID-19 preventative measure has halted transactions
- Upperhill is the priciest suburb with an acre now at Ksh530.6 million
- Ruaka is the most expensive satellite town at Ksh90.4 million per acre

### Land Index Highlights:

The Hass Composite Land Index, Nairobi Suburbs	Quarter % Change	Annual % Change	Change From 2007
Nairobi-18 Composite Index Results	-0.90%	0.28%	3.07 Fold
Suburb with Highest Quarterly Increase in Land Price	Land in Muthaiga (+2.38 % over last quarter)		
Suburb with Highest Annual Increase in Land Price	Land in Spring Valley (+8.87 % over last year)		
Suburb with Lowest Quarterly Increase in Land Price	Land in Gigiri (-2.82 % over last quarter)		
Suburb with Lowest Annual Increase in Land Price	Land in Riverside (-7.21 % over last year)		
The Hass Composite Land Index, Nairobi Satellite Towns	Quarter % Change	Annual % Change	Change From 2007
Nairobi Satellite-14 Composite Index Results	-0.21%	6.51%	3.99 Fold
The Town with Highest Quarterly Increase in Land Price	Land in Kitengela (+2.00 % over last quarter)		
The Town with Highest Annual Increase in Land Price	Land in Kitengela (+12.68 % over last year)		
The Town with Lowest Quarterly Increase in Land Price	Land in Kiserian (-2.26 % over last quarter)		
The Town with Lowest Annual Increase in Land Price	Land in Thika (+0.73 % over last year)		

HassConsult today unveiled the Hass Land price indices for the first quarter of 2020, showing a marginal retreat for both suburbs and satellite towns over the quarter. Land prices in the suburbs decreased by 0.9 per cent over the quarter while in the satellite towns prices slightly dropped 0.21 per cent. Some Nairobi suburbs have bucked the overall trend with Muthaiga registering a 2.38% increase in the 1st quarter and Spring Valley showing a 8.87% increase in the past year. Similarly, in satellite towns, Kitengela continued to grow with a 2% increase in the first quarter and a 12.68% increase in the past 12 months.

With the global economy experiencing unprecedented fluctuations and declines, investors are displaying caution and delaying purchasing decisions in the absence of market stability. In Nairobi the quarterly drop was the biggest since the index was launched while for satellite towns the last drop was last seen in the third quarter of 2017.

“The Lands Registry has been temporarily closed as a COVID-19 preventive measure, effectively slowing down land transactions. This is in addition to the general slowdown in economic activity that the pandemic has caused which could potentially further see adverse activity in the sector,” said HassConsult Head of Research and Marketing at Hass Consult Sakina Hassanali.

Annually prices in Nairobi's suburbs marginally increased by 0.28 percent while for the satellite towns prices were up 6.51 per cent.

Despite the challenges the COVID-19 pandemic is posing to the economy Ms. Hassanali said that should the pandemic be well managed and there is a gradual recovery in the economy, these efforts will be reflected in the real estate market.

“The COVID-19 pandemic has left some landowners are unexpectedly limited liquidity and as a result we may see a bigger supply in land moving forward. However, this will create an opportunity for shrewd investors who have not been affected. It is important to note that land has traditionally outpaced other asset classes over the long-term, and we have no data that suggests this will change” said Ms. Hassanali.

In fact, Ksh. 1 Million invested at the end of 2007 would have been worth KSh. 9.09M if invested in land in Nairobi Satellite Towns ,KSh. 6.35M if invested in land in Nairobi Suburbs and KSh. 2.41M if invested in property. The same Ksh. 1 Million would now be worth Ksh. 2.76M if invested in bonds and KSh. 1.40M if invested in savings and only Ksh. 0.37M if invested in Equities.

For more information, please contact:  
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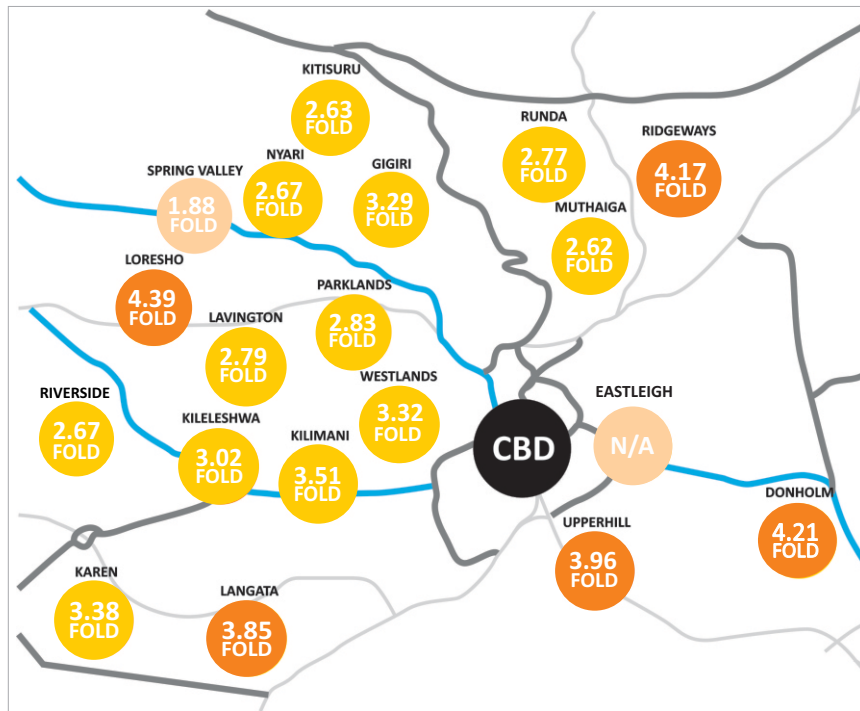
Nairobi Suburbs Land Index	Quarter % Change	Annual % Change	10 Year Change From Dec 2007	Average Value Per Acre (KShs)	25 Percentile	75 Percentile
Donholm	-0.7 %	-2.0 %	4.21 FOLD	68,900,000	56,600,000	72,000,000
Gigiri	-2.8 %	-7.2 %	3.29 FOLD	230,800,000	152,500,000	320,000,000
Karen	0.0 %	2.5 %	3.38 FOLD	62,400,000	55,000,000	70,000,000
Kileleshwa	-0.2 %	1.1 %	3.02 FOLD	308,400,000	260,000,000	340,900,000
Kilimani	-1.4 %	-2.3%	3.51 FOLD	420,300,000	400,000,000	480,000,000
Kitisuru	-0.6 %	2.2 %	2.63 FOLD	89,500,000	69,500,000	110,000,000
Langata	-2.0 %	1.7 %	3.85 FOLD	64,400,000	48,000,000	70,000,000
Lavington	-1.6 %	-2.7 %	2.79 FOLD	231,600,000	186,700,000	270,000,000
Loresho	-0.3 %	1.1 %	4.39 FOLD	91,000,000	76,000,000	110,000,000
Muthaiga	2.4 %	6.3 %	2.62 FOLD	182,400,000	150,000,000	211,100,000
Nyari	-0.7 %	5.2 %	2.67 FOLD	105,700,000	86,700,000	124,300,000
Parklands	-1.7 %	-3.9 %	2.83 FOLD	401,800,000	340,000,000	447,200,000
Ridgeways	-0.9 %	-1.1 %	4.17 FOLD	76,000,000	64,000,000	80,000,000
Riverside	-1.8 %	-7.2 %	2.67 FOLD	364,000,000	320,000,000	389,700,000
Runda	0.4 %	-1.9 %	2.77 FOLD	85,300,000	70,000,000	100,000,000
Spring Valley	0.7 %	8.9 %	1.88 FOLD	173,800,000	110,700,000	190,000,000
Upperhill	-1.6 %	-4.0 %	3.96 FOLD	530,600,000	450,000,000	600,000,000
Westlands	0.5 %	1.0 %	3.32 FOLD	420,200,000	347,400,000	500,000,000

Nairobi Satellite Town Land Index	Quarter % Change	Annual % Change	10 Year Change From Dec 2007	Average Value Per Acre (KShs)	25 Percentile	75 Percentile
Athi River	1.4 %	6.9 %	4.04 FOLD	13,700,000	6,400,000	19,300,000
Juja	-0.3 %	8.9 %	6.04 FOLD	14,500,000	5,000,000	20,000,000
Kiambu	-0.7 %	4.3 %	4.39 FOLD	43,200,000	20,000,000	58,000,000
Kiserian	-2.3 %	5.5 %	3.30 FOLD	7,500,000	3,600,000	9,600,000
Kitengela	2.0 %	12.7 %	5.35 FOLD	12,500,000	6,800,000	16,000,000
Limuru	1.5 %	10.3 %	4.10 FOLD	23,800,000	13,300,000	32,500,000
Mlolongo	1.6 %	6.0 %	2.45 FOLD	27,600,000	13,000,000	40,000,000
Ngong	0.4 %	3.9 %	3.15 FOLD	21,600,000	10,400,000	28,000,000
Ongata Rongai	-0.5 %	3.9 %	4.12 FOLD	21,900,000	9,500,000	28,000,000
Ruaka	-1.3 %	3.2 %	3.89 FOLD	90,400,000	56,900,000	120,000,000
Ruiru	-0.5 %	11.1 %	3.97 FOLD	26,400,000	13,200,000	34,900,000
Syokimau	-0.7 %	5.1 %	3.22 FOLD	22,300,000	12,300,000	30,000,000
Thika	-1.7 %	0.7 %	3.87 FOLD	18,600,000	8,000,000	24,500,000
Tigoni	0.9 %	6.3 %	5.01 FOLD	24,200,000	17,000,000	30,000,000

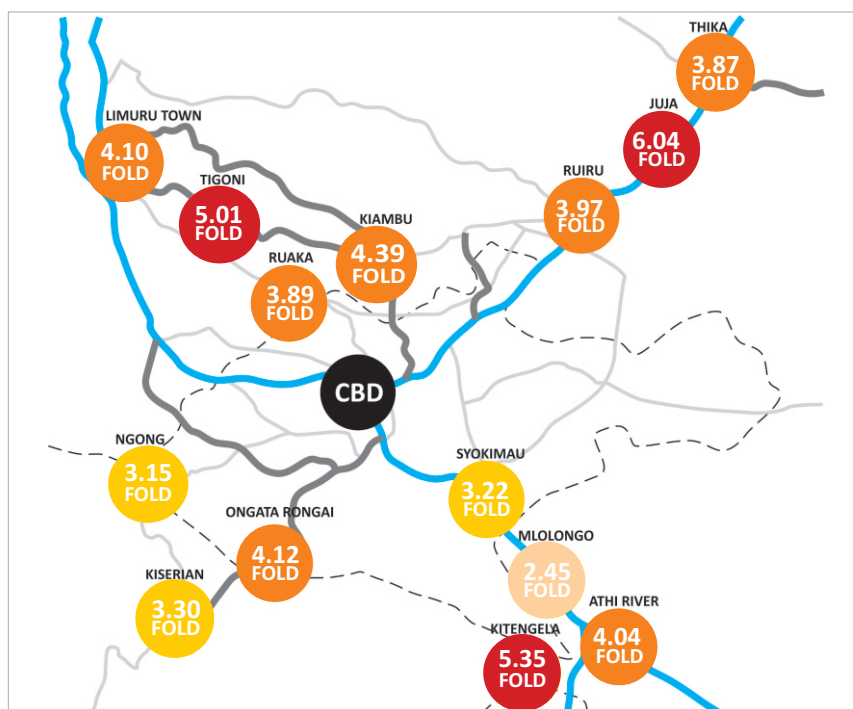
\*Price Values rounded to nearest Kshs. 100,000

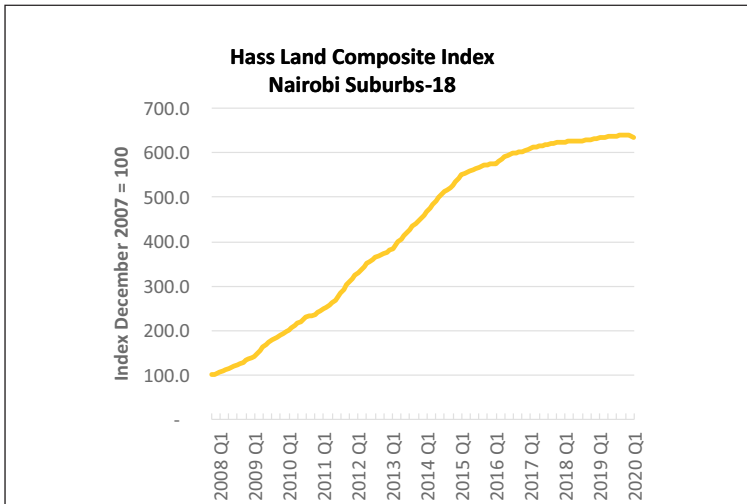
## Land Index Heat Maps

### Nairobi-18 Suburbs Change in Prices Since April 2010



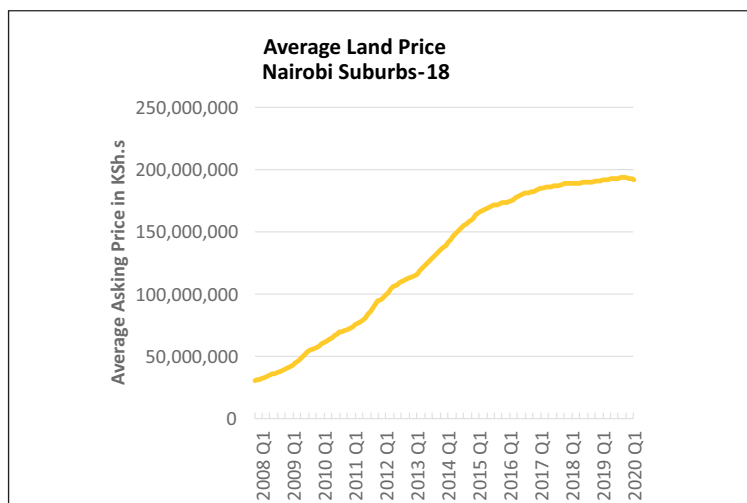
### Nairobi-14 Satellite Towns Change in Prices Since April 2010





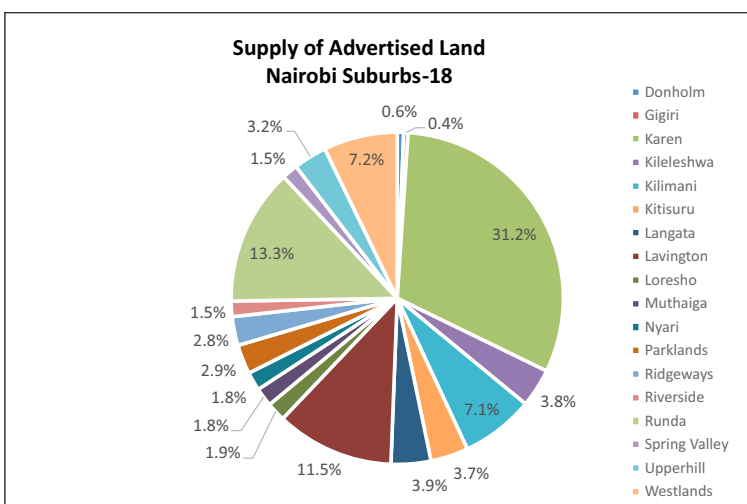
**SNAP SHOTS:**

- The Nairobi Suburbs-18 Land Index is representative of Land for Sale in Nairobi covering 18 highest activity suburbs.
- Land values have increased by 6.35 fold since December 2007.



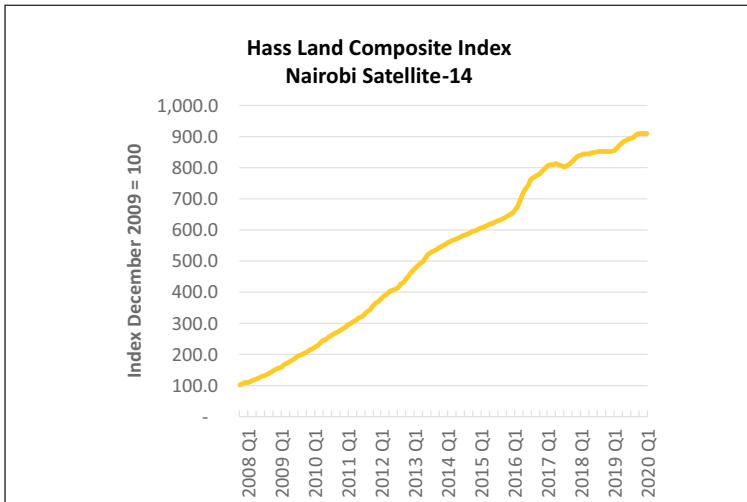
**SNAP SHOTS:**

- 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 192.1 million in March 2020.



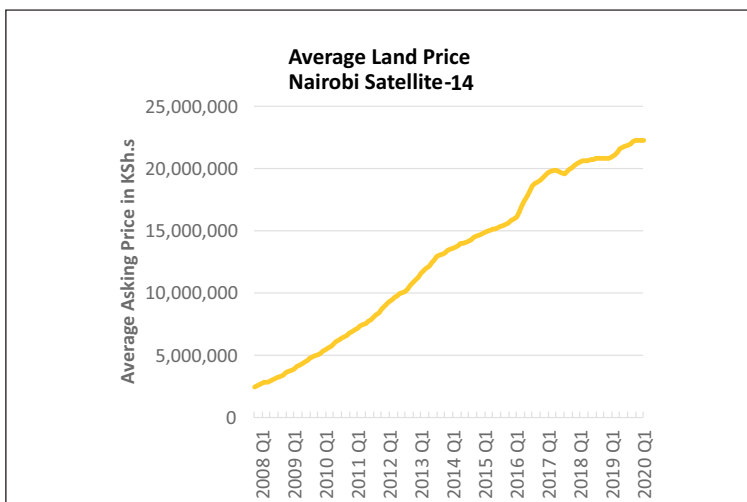
**SNAP SHOTS:**

- The Mix is a measure of the percentage that each suburb represents in the market for 18 Nairobi suburbs.
- Land in Donholm took up 0.6% of the market, Gigiri 0.4%, Karen 31.2%, Kileleshwa 3.8%, Kilimani 7.1%, Kitisuru 3.7%, Langata 3.9%, Lavington 11.5%, Loresho 1.9%, Muthaiga 1.8%, Nyari 1.8%, Parklands 2.9%, Ridgeways 2.8%, Riverside 1.5%, Runda 13.3%, Spring Valley 1.5%, Upperhill 3.2% and Westlands 7.2% respectively.



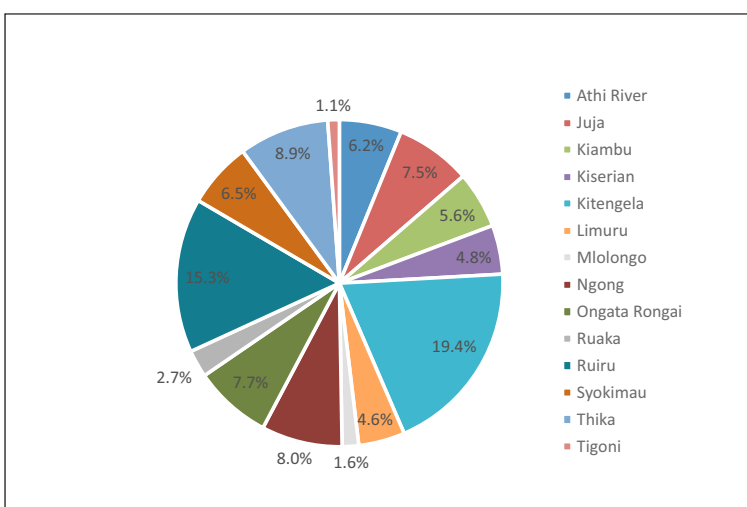
**SNAP SHOTS:**

- The Nairobi Satellite-14 Land Index is representative of Land for Sale in 14 Satellite towns outside Nairobi suburbs.
- Land values have increased by 9.09 fold since December 2007.



**SNAP SHOTS:**

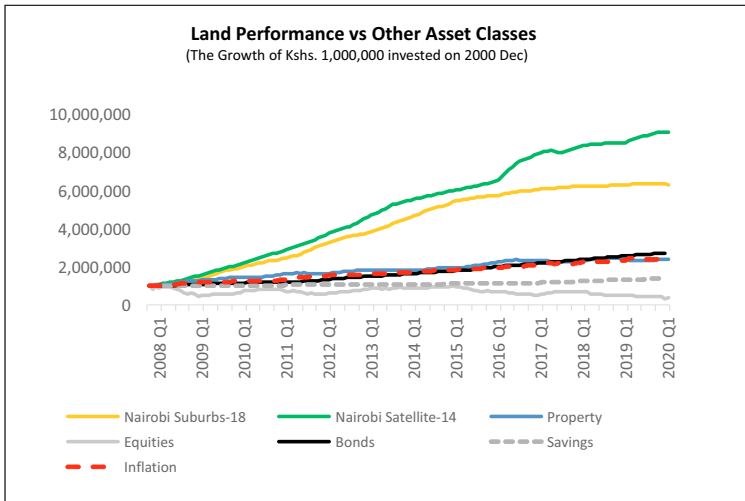
- The annual average is representative of the average price of land for sale in outside Nairobi covering 14 highest activity Satellite towns.
- The average value for land has gone from 2.4 million in December 2007 to 22.2 million in March 2020.



**SNAP SHOTS:**

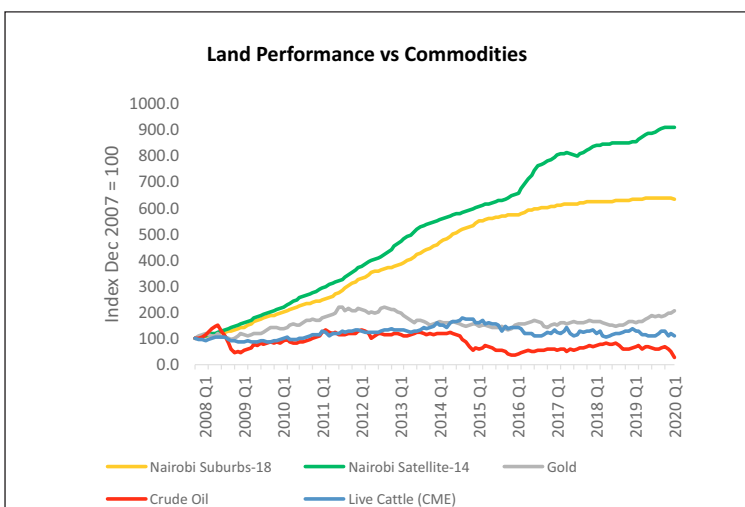
- The Mix is a measure of the percentage that each town represents in the market for the Nairobi 14 Satellite towns.
- Land in Athi River took up 6.2% of the market, Juja took up 7.5%, Kiambu 5.6%, Kiserian 4.8%, Kitengela 19.4%, Limuru 4.6%, Mlolongo 1.6%, Ngong 8.0%, Ongata Rongai 7.7%, Ruaka 2.7%, Ruiru 15.3%, Syokimau 6.5%, Thika 8.9% and Tigoni 1.1% respectively.

## Land as an Investment



### SNAP SHOTS:

Ksh. 1 Million invested at the end of 2007 would have been worth KSh. 9.09M if invested in land in Nairobi Satellite-14, KSh. 6.35M if invested in land in Nairobi Suburbs-18, KSh. 2.41M if invested in property (The Hass Sales Composite Index, All Properties), KSh. 2.76M if invested in bonds and KSh. 1.40M if invested in savings and only Ksh. 0.37M if invested in Equities.



### SNAP SHOTS:

The Hass Land Composite Index, Nairobi Satellite-14 index value was 909.0 outperforming Nairobi Suburbs-18 which had an index value of 635.0, Gold 203.5, Live Cattle (CME) 109.6 and Crude Oil worst performing with only 25.7 index value.