

## Property resilient as COVID-19 takes toll on global economies

- Property prices mildly edged up by 0.9 per cent over the quarter with detached and semi-detached houses showing some resilience with slight increases of 1.3 percent and 0.9 per cent respectively
- Apartment prices recorded a slight decline of 0.4 per cent over the quarter continuing a period of price stagnation bringing the total annual decline to 2.0 per cent
- Conversely, rent prices rose by 1.6 percent with apartments posting the strongest growth at 2.9 per cent showing recovery after falls in mid 2019
- The rise in rents for apartments has led to the rise in rental yields in the category to 7.19 per cent by end March 2020 compared to rental yields of 6.76 per cent recorded in the same period in 2019
- The property market has significantly outperformed the NSE-20 in the last 5 years, with KES. 100 invested in the stock market in Q1. 2015 returning KES. 40 in Q1. 2020 while the same invested in property would return KES. 122 in the same time frame.

### Property Index Highlights:

The Hass Composite Sales Index	Quarter % Change	Annual % Change	Change From April 2010
All Properties	0.9%	-0.02%	1.67 Fold
Detached Houses	1.3%	-1.6%	1.58 Fold
Semi Detached Houses	0.9%	5.8%	1.99 Fold
Apartments	-0.4%	-2.0%	1.60 Fold
Segment with Highest Quarterly Increase in Sales Price	Houses in Loresho (+3.6 % over last quarter)		
Segment with Lowest Quarterly Increase in Sales Price	Houses in Tigoni (-4.7 % over last quarter)		
Segment with Highest Annual Increase in Sales Price	Houses in Ridgeways ( 9.4 % over last year)		
Segment with Lowest Annual Increase in Sales Price	Houses in Juja ( -9.3% over last year)		

The Hass Composite Rental Index	Quarter % Change	Annual % Change	Change From April 2010
All Properties	1.6%	-0.7%	1.73 Fold
Detached Houses	1.7%	-2.7%	1.64 Fold
Semi Detached Houses	0.9%	-0.4%	2.16 Fold
Apartments	2.1%	2.9%	1.61 Fold
Segment with Highest Quarterly Increase in Rental Price	Apartments in Ngong ( +6.4% over last quarter)		
Segment with Lowest Quarterly Increase in Rental Price	Apartments in Mlolongo ( -4.6% over last quarter)		
Segment with Highest Annual Increase in Rental Price	Apartments in Ngong ( +8.7% over last year)		
Segment with Lowest Annual Increase in Rental Price	Apartments in Kitengela ( -10.4% over last year)		

HassConsult today revealed a stable property market even as uncertainty grew towards the end of the quarter when Kenya recorded the first case of the COVID-19 pandemic.

House prices slightly edged up by 0.9 per cent over the quarter driven by a mild performance from detached and semi-detached markets which recorded a 1.3 per cent and a 0.9 per cent growth respectively, sustaining the trend recorded in the previous quarter.

Sakina Hassanali, Head of Research and Marketing at Hass Consult, however said that whereas the property market began showing signs of resilience as confidence trickled in, the COVID-19 pandemic, which was first locally recorded in early March, will have an effect going forward.

“It is important to note that Kenya recorded the first case of COVID-19 towards the end of the quarter and therefore the real effects of the pandemic will begin to emerge from the second quarter. Globally the pandemic has caused markets, across all asset classes, to perform poorly but the extent of this effect on our local market will depend on how we manage the COVID-19 pandemic,” said Ms. Hassanali.

Zillow, a leading real estate and rental marketplace in the US, conducted a study on housing during previous pandemics and concluded that while home sales dropped during an outbreak, home prices stayed about the same or only suffered a slight decrease. This is largely due to the fact that there is little opportunity for prices to change when there are fewer transactions. In the US, previous pandemics have resulted in a market pause, but have not caused any devaluation of property assets. This data is reflected in other global markets and is expected to be similar in Kenya. “Property has a long history of providing superior returns over most asset classes,” said Ms. Hassanali, “and while we will continue to track data locally, we expect this trend to continue despite the economic environment that the pandemic has created.”

Similar to the sales market there was a mild increase, across all market segments, in rents over the first three months of the year at 1.6 per cent.

Apartments recorded the strongest growth over the quarter with asking rents at 2.1 per cent, followed by detached houses at 1.7 per cent and semi-detached houses at 0.9 per cent.

Apartments similarly recorded the strongest growth in rents at 2.9 per cent against the overall property rents slight drop of 0.7 per cent.

The rental market may be more severely affected in the short to medium term. “As more companies scale down operations and send Kenyans home due to the ongoing pandemic there will be pressure on landlords to give waivers or discounts until the economic situation returns to normalcy and this will be reflected in prices,” said Ms. Hassanali.

**For more information, please contact:**

Sakina Hassanali, Head of Development Consulting & Research

## House Price Trends By Suburb in Nairobi

Nairobi Suburbs Property Index - All Houses	Sales Prices			Rental Prices		
	Quarter % Change	Annual % Change	Change From Apr 2010	Quarter % Change	Annual % Change	Change From Apr 2010
Donholm	0.3 %	3.6 %	2.21 FOLD	0.3 %	-0.2 %	1.69 FOLD
Gigiri	2.0 %	4.2 %	2.33 FOLD	2.6 %	5.1 %	1.85 FOLD
Karen	0.4 %	1.6 %	2.25 FOLD	1.1 %	-0.3 %	1.71 FOLD
Kileleshwa	-1.6 %	-4.0 %	2.00 FOLD	0.2 %	-0.9 %	2.13 FOLD
Kilimani	0.0 %	0.4 %	1.61 FOLD	1.6 %	3.9 %	1.66 FOLD
Kitisuru	0.7 %	1.4 %	2.36 FOLD	-2.0 %	-7.7 %	2.23 FOLD
Langata	0.4 %	-3.0 %	2.68 FOLD	2.1 %	0.3 %	1.49 FOLD
Lavington	-0.2 %	0.3 %	2.19 FOLD	-1.9 %	-3.4 %	2.20 FOLD
Loresho	3.6 %	7.0 %	2.05 FOLD	-1.6 %	-7.3 %	1.73 FOLD
Muthaiga	-0.4 %	3.5 %	2.14 FOLD	1.8 %	1.9 %	2.09 FOLD
Nyari Estate	-0.3 %	4.3 %	2.27 FOLD	-1.5 %	-0.1 %	1.60 FOLD
Ridgeways	-0.2 %	9.4 %	2.02 FOLD	2.4 %	-1.0 %	1.92 FOLD
Runda	1.6 %	0.2 %	2.32 FOLD	-1.6 %	-2.1 %	1.54 FOLD
Spring Valley	0.9 %	3.9 %	1.76 FOLD	-1.5 %	-6.5 %	1.58 FOLD
Westlands	-0.1 %	1.0 %	2.38 FOLD	-0.3 %	3.5 %	2.40 FOLD

## Apartment Price Trends By Suburb Nairobi

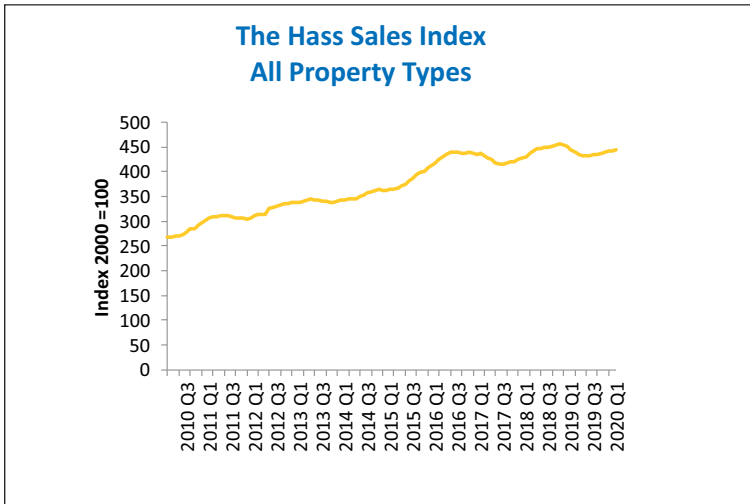
Nairobi Suburbs Property Index - Apartments	Sales Prices			Rental Prices		
	Quarter % Change	Annual % Change	Change From Apr 2010	Quarter % Change	Annual % Change	Change From Apr 2010
Kileleshwa	-3.1 %	-2.9 %	1.53 FOLD	-1.1 %	1.8 %	1.90 FOLD
Kilimani	-2.0 %	-8.0 %	1.41 FOLD	0.3 %	4.6 %	1.77 FOLD
Langata	-1.9 %	-8.8 %	1.73 FOLD	-3.2 %	6.4 %	1.88 FOLD
Lavington	-1.4 %	-5.9 %	1.65 FOLD	0.01 %	-3.1 %	1.36 FOLD
Parklands	-1.3 %	-5.5 %	2.05 FOLD	0.7 %	6.2 %	2.15 FOLD
Riverside	-2.8 %	-4.6 %	1.75 FOLD	-0.6 %	2.0 %	1.95 FOLD
Upperhill	0.3 %	0.9 %	2.14 FOLD	-0.8 %	-1.5 %	2.37 FOLD
Westlands	-0.1 %	1.0 %	1.88 FOLD	-0.7 %	1.6 %	1.80 FOLD

## House Price Trends By Town in Nairobi's Satellite Areas

Nairobi Satellite Property Index - All houses	Sales Prices			Rental Prices		
	Quarter % Change	Annual % Change	Change From Apr 2010	Quarter % Change	Annual % Change	Change From Apr 2010
Athi River	-2.7 %	-3.6 %	2.71 FOLD	0.5%	-4.3 %	1.35 FOLD
Juja	-0.6 %	-9.3 %	1.63 FOLD	1.7 %	3.7 %	2.17 FOLD
Kiambu	0.9 %	4.2 %	2.36 FOLD	1.2 %	-5.1 %	1.64 FOLD
Kiserian	1.8 %	-0.7 %	2.03 FOLD	3.4 %	-5.6 %	2.03 FOLD
Kitengela	-2.6 %	-5.6 %	2.14 FOLD	-1.0 %	0.9 %	1.56 FOLD
Limuru	-1.8 %	5.0 %	2.42 FOLD	1.5 %	-2.6 %	2.11 FOLD
Ngong	-3.2 %	-3.2 %	2.16 FOLD	5.0 %	1.8 %	2.43 FOLD
Ongata Rongai	2.6 %	-1.3 %	2.29 FOLD	1.8 %	6.5 %	1.86 FOLD
Ruiru	-1.0 %	-1.3 %	2.61 FOLD	2.4 %	2.9 %	2.32 FOLD
Tigoni	-4.7 %	-4.1 %	1.88 FOLD	4.6 %	3.8 %	1.83 FOLD

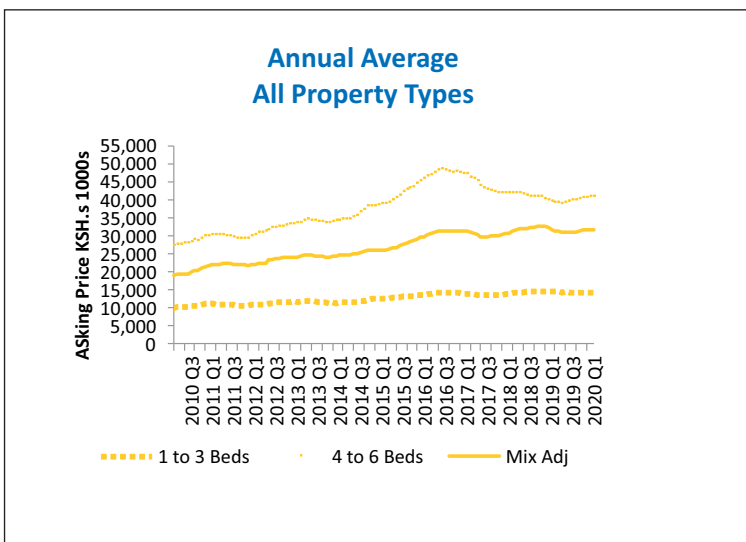
## Apartment Price Trends By Town in Nairobi's Satellite Areas

Nairobi Satellite Property Index - Apartments	Sales Prices			Rental Prices		
	Quarter % Change	Annual % Change	Change From Apr 2010	Quarter % Change	Annual % Change	Change From Apr 2010
Athi River	-1.3 %	3.4 %	1.56 FOLD	0.2 %	-0.2 %	1.33 FOLD
Kiambu	-2.2 %	-3.4 %	2.11 FOLD	-0.1 %	-3.0 %	2.15 FOLD
Kitengela	-0.8 %	2.6 %	1.86 FOLD	-1.3 %	-10.4 %	1.76 FOLD
Mlolongo	1.5 %	3.7 %	1.58 FOLD	-4.6 %	-7.8 %	1.82 FOLD
Ngong	1.3 %	7.7 %	2.38 FOLD	6.4 %	8.7 %	1.97 FOLD
Ongata Rongai	-1.9%	-4.1 %	1.74 FOLD	2.8 %	-2.6 %	2.03 FOLD
Ruaka	-1.6 %	1.3 %	1.60 FOLD	0.9 %	-0.4 %	2.24 FOLD
Syokimau	-1.0 %	2.8 %	1.58 FOLD	0.3 %	-3.5 %	1.57 FOLD
Thika	-1.3 %	-0.4 %	1.38 FOLD	4.4 %	7.0 %	1.87 FOLD



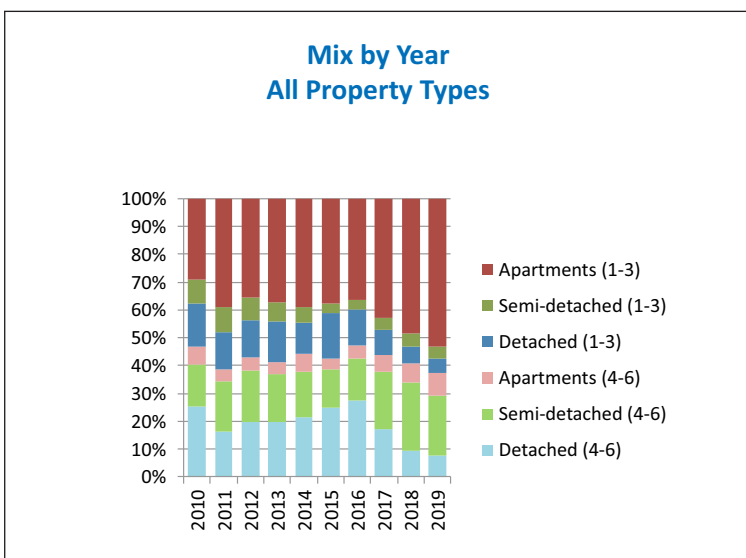
**SNAP SHOTS:**

- The Hass Composite Sales Index is representative of all properties for sale in Kenya.
- Property values have increased by 4.44 times since 2000.
- The index shows a property price rise of 0.7% in the last month, rise of 0.9% in the last quarter and a -0.02% fall in the last year.



**SNAP SHOTS:**

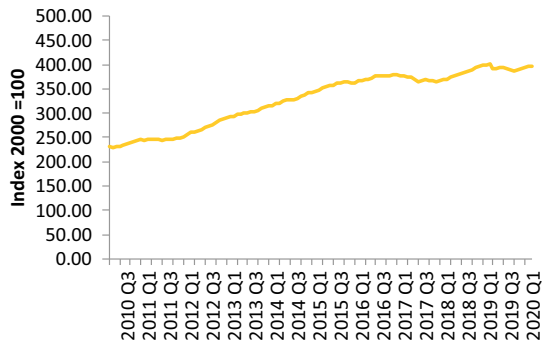
- The annual average is representative of the average price of all properties offered for sale in Kenya.
- The average value for a property has gone from 7.1 million in December 2000 to 31.9 million in March 2020.
- The average value for a 4-6 bedroom property is currently 41.0 million.
- The average value for a 1-3 bedroom property is currently 14.3 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 2019 however, Apartments took up 61.1% of the market, Semi-detached Houses took up 25.7% of the market and Detached Houses took up 13.2% of the market.

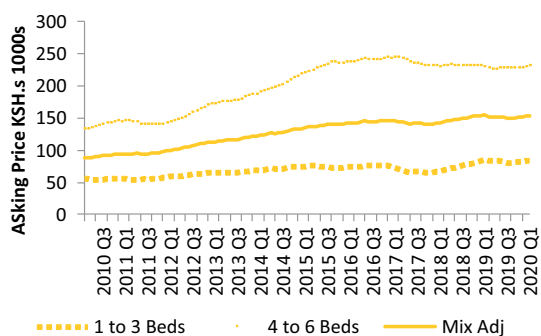
## The Hass Rental Index All Property Types



### SNAP SHOTS:

- The Hass Composite Letting Index is representative of all properties for rental in Kenya.
- Rents have increased by 3.98 fold since 2001.
- The index shows a property rise of 0.4% in the last month, rise of 1.6% in the last quarter and have fallen by -0.7% in the last year.

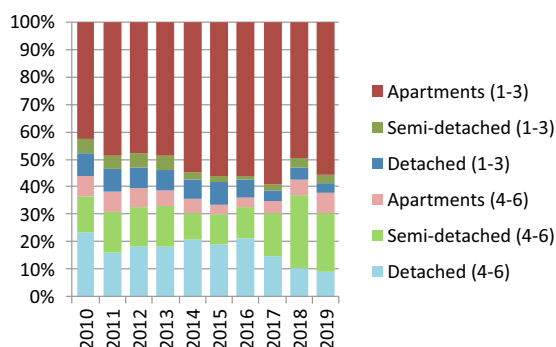
## Annual Average All Property Types



### 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. 153,152 in March 2020.
- The average rent for a 4-6 bedroom property is currently Kshs. 230,888.
- The average rent for a 1-3 bedroom property is currently Kshs. 82,890.

## Mix by Year All Property Types



### 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 34.2% of the market.
- In December 2019 however, Apartments took up 63.2% of the market, Semi-detached Houses took up 24.5% of the market and Detached Houses took up 12.4% of the market.