

Lower middle-income households opt for long journeys home in search for cheaper rent as the tough economic environment bites

- Apartments in Thika recorded the strongest annual growth rate in rents at 13.3 per cent while houses in Tigoni recorded the highest quarterly rate increase at 3.5 per cent.
- Highest growth in asking rent prices in the three months from August to October was recorded in Tigoni at 3.5% and Ongata Rongai at 3.1% as their affordability relative to other satellite towns attract tenants who are opting for cheaper rents in light of the tough economic times.
- Kitengela, Mlolongu, Ruaka and Limuru also posted increase asking rent prices.
- Parklands recorded strongest growth in apartment rents in the quarter and annually at 1.9 per cent and 9.3 per cent respectively.
- The tough economic conditions continue to weigh the overall rental and property sales markets with rental prices for all properties falling by 0.9% in the quarter and asking house sale prices growing by 0.9% in the last three months.
- Semi-detached posted strongest total returns at 13.54 per cent (capital gains + rental yields) driven by investors who are preferring this mid-market over detached which is pricier and apartments where there is oversupply and as a result rents of being discounted to attract tenants.
- Upperhill records price correction after the suburb sees a reversal in prices after three-years, during which prices of apartments have been on a downward steep as discounts continue.
- Nyari and Loresho continue to benefit from the completion of the Redhill Waiyaki way link road.
- Affordability and increased accessibility spur Ngong and Thika apartment rental market as tenants tighten belts in these tough times.

Property Index Highlights:

The Hass Composite Sales Index	Quarter % Change	Annual % Change	Change From 2007
All Properties	0.9%	-3.4%	2.36 Fold
Detached Houses	0.3%	-7.0%	2.22 Fold
Semi Detached Houses	3.4%	6.0%	2.88 Fold
Apartments	-0.5%	-1.7%	2.27 Fold
Segment with Highest Quarterly Increase in Sales Price	Houses in Ridgeways (+3.9 % over last quarter)		
Segment with Lowest Quarterly Increase in Sales Price	Houses in Juja (-3.0 % over last quarter)		
Segment with Highest Annual Increase in Sales Price	Houses in Nyari Estate (+12.4 % over last year)		
Segment with Lowest Annual Increase in Sales Price	Houses in Juja (-7.8% over last year)		

The Hass Composite Rental Index	Quarter % Change	Annual % Change	Change From 2007
All Properties	-0.9%	0.8%	1.84 Fold
Detached Houses	-1.3%	-4.2%	1.76 Fold
Semi Detached Houses	0.4%	2.8%	2.25 Fold
Apartments	-1.4%	9.2%	1.70 Fold
Segment with Highest Quarterly Increase in Rental Price	Houses in Tigoni (+3.5% over last quarter)		
Segment with Lowest Quarterly Increase in Rental Price	Apartments in Ongata Rongai (-6.1% over last quarter)		
Segment with Highest Annual Increase in Rental Price	Apartments in Ngong (+15.8% over last year)		
Segment with Lowest Annual Increase in Rental Price	Houses in Athi River (-4.1% over last year)		

HassConsult today unveiled the Hass Property price indices for the third quarter of 2019 showing high demand for low middle-income housing in far-flung Nairobi's metropolis as tenants opt for cheaper units in the wake of the prevailing high cost of living and uncertainty in the economic environment.

Satellite towns with newly finished modern units, but with more affordable asking prices, are favourite for bargain hunters who led to increased asking prices for rents in Thika, Limuru, Mlolongo, Tigoni, Ongata Rongai, Kitengela and Ruaka metropolis between July and September.

Thika, which saw a 1.3 per cent rise in asking rent prices in the quarter, was the only satellite town that recorded a double-digit increase in apartment rents on an annual basis as tenants opt for affordability in the tough economic environment.

Asking rents for apartments in Thika increased by 13.3 per cent on an annual basis which is the strongest growth in the satellite towns while Tigoni recorded the strongest growth for house rents over the quarter at 3.5 per cent. At Ksh23,400, the average asking rents for apartments in Thika makes the satellite town the most affordable relative to other towns which augers well for tenants who are opting for affordable units as the tough economic conditions persist.

"Asking rents for a modern apartment may cost as little as Sh23,400 and this bodes well for many tenants who are now preferring affordable units as they take caution to save in the wake of job losses cross all sectors. Notably, as the cost of living soars, the lower middle class is opting to pay slightly more in transport but less in rents," said Ms. Sakina Hassanali, Head of Research and Marketing at HassConsult.

Kiserian recorded the highest drop over the quarter with rents in the area reducing by 4.6 per cent while Athi River recorded the lowest annual growth rate for houses at 4.1 per cent.

Parklands was the best performing suburb with rents in the area increasing by 1.9 per cent over the quarter and 9.3 per cent annually. On the losing end Loresho recorded a 2.7 per cent drop over the quarter and 3.5 per cent over the year.

Overall asking rents dropped by 0.9 per cent over the quarter but marginally increased by 0.8 per cent on an annual basis.

On the sales front asking prices marginally rose by 0.9 per cent in the quarter led by the semi-detached housing segment which increased by 3.4 per cent over the period. Ridgeways recorded the highest quarterly increase in asking prices at 3.9 per cent over the quarter while Juja recorded the biggest drop at -7.8 per cent.

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 2007	Quarter % Change	Annual % Change	Change From 2007
Donholm	1.6 %	4.3 %	3.44 FOLD	-1.1 %	-0.6 %	1.72 FOLD
Eastleigh	0.1 %	0.5 %	3.06 FOLD	0.3 %	2.4 %	2.94 FOLD
Gigiri	1.1 %	5.2 %	2.91 FOLD	0.4 %	1.6 %	1.99 FOLD
Karen	0.6 %	6.2 %	3.52 FOLD	-0.3 %	-2.2 %	1.86 FOLD
Kileleshwa	-1.7 %	3.1 %	2.85 FOLD	-1.4 %	2.2 %	2.35 FOLD
Kilimani	0.1 %	0.9 %	2.58 FOLD	0.5 %	3.2 %	1.97 FOLD
Kitisuru	1.7 %	4.1 %	2.93 FOLD	-1.8 %	-1.1 %	2.60 FOLD
Langata	-2.3 %	-3.8 %	4.24 FOLD	-0.6 %	-0.8 %	1.65 FOLD
Lavington	0.7 %	3.7 %	2.90 FOLD	0.6 %	2.9 %	2.73 FOLD
Loresho	1.8 %	9.5 %	2.61 FOLD	-2.7 %	-3.5 %	2.25 FOLD
Muthaiga	1.7 %	8.6 %	2.44 FOLD	0.0 %	1.1 %	2.65 FOLD
Nyari Estate	2.1 %	12.4 %	2.80 FOLD	-0.4 %	0.5 %	1.75 FOLD
Ridgeways	3.9 %	10.6 %	2.68 FOLD	-1.2 %	-1.1 %	2.20 FOLD
Runda	1.1 %	4.8 %	3.25 FOLD	0.3 %	2.5 %	1.86 FOLD
Spring Valley	1.8 %	4.7 %	2.43 FOLD	-2.0 %	-1.5 %	1.76 FOLD
Westlands	1.1 %	4.8 %	3.11 FOLD	0.9 %	5.0 %	3.22 FOLD

Apartment Price Trends By Suburb Nairobi

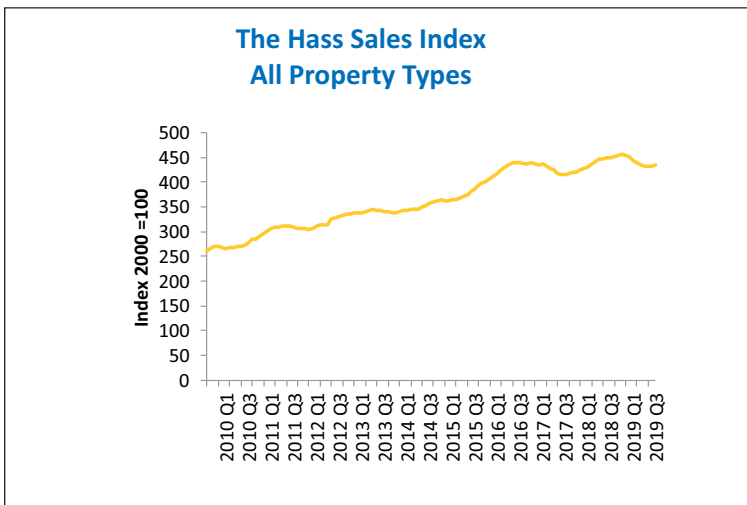
Nairobi Suburbs Property Index - Apartments	Sales Prices			Rental Prices		
	Quarter % Change	Annual % Change	Change From 2007	Quarter % Change	Annual % Change	Change From 2007
Kileleshwa	-0.5 %	-1.2 %	2.53 FOLD	0.1 %	6.6 %	1.94 FOLD
Kilimani	-1.1 %	-5.0 %	2.35 FOLD	0.4 %	5.1 %	1.69 FOLD
Langata	-1.2 %	-1.3 %	2.43 FOLD	2.2 %	14.9 %	2.10 FOLD
Lavington	-1.0 %	-3.7 %	2.40 FOLD	-2.0 %	-2.3 %	1.61 FOLD
Parklands	-1.3 %	-4.8 %	2.94 FOLD	1.9 %	9.3 %	2.46 FOLD
Upperhill	1.3 %	5.7 %	3.10 FOLD	-0.9 %	4.1 %	2.98 FOLD
Westlands	0.1 %	2.5 %	2.81 FOLD	0.7 %	9.5 %	1.95 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 2007	Quarter % Change	Annual % Change	Change From 2007
Athi River	0.3 %	5.5 %	3.16 FOLD	-0.9%	-4.1 %	1.48 FOLD
Juja	-3.0 %	-7.8 %	2.46 FOLD	-0.4 %	0.1 %	2.82 FOLD
Kiambu	1.0 %	7.1 %	2.77 FOLD	-2.0 %	1.1 %	2.00 FOLD
Kiserian	0.6 %	1.5 %	2.58 FOLD	-4.6 %	-2.2 %	2.32 FOLD
Kitengela	-0.6 %	0.4 %	2.85 FOLD	1.2 %	-3.6 %	1.80 FOLD
Limuru	1.3 %	8.8 %	3.05 FOLD	0.7 %	2.0 %	2.52 FOLD
Ngong	0.2 %	4.0 %	2.98 FOLD	-1.7 %	4.7 %	2.74 FOLD
Ongata Rongai	-0.7 %	-1.7 %	2.62 FOLD	3.1 %	1.9 %	2.25 FOLD
Ruiru	0.3 %	-0.9 %	3.25 FOLD	-1.2 %	1.1 %	2.40 FOLD
Tigoni	0.4 %	0.4 %	2.37 FOLD	3.5 %	4.7 %	2.17 FOLD

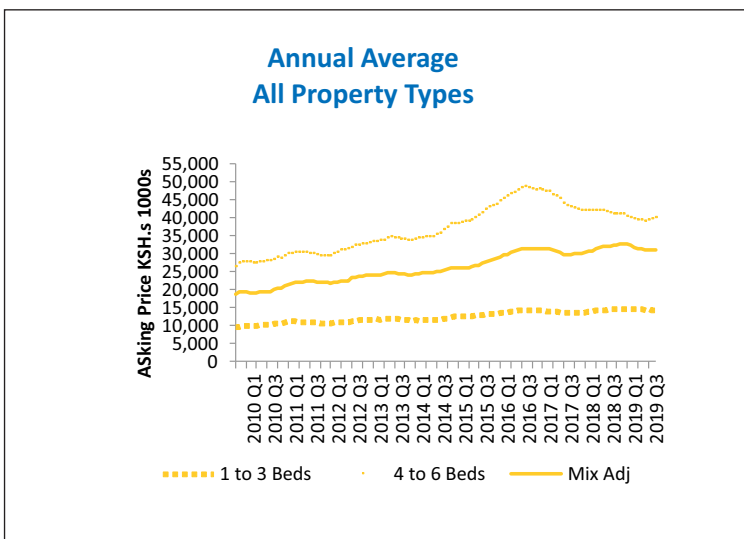
Apartment Price Trends By Town in Nairobi's Satellite Areas

Nairobi Satellite Property Index - Apartments	Sales Prices			Rental Prices		
	Quarter % Change	Annual % Change	Change From 2007	Quarter % Change	Annual % Change	Change From 2007
Athi River	3.2 %	11.6 %	2.17 FOLD	-0.5 %	6.0 %	1.45 FOLD
Kiambu	2.4 %	3.9 %	2.69 FOLD	-0.2 %	6.2 %	2.51 FOLD
Kitengela	0.4 %	10.1 %	2.09 FOLD	-2.6 %	-1.1 %	2.06 FOLD
Mlolongo	1.6 %	3.5 %	1.76 FOLD	0.1 %	9.1 %	2.37 FOLD
Ngong	2.1 %	9.4 %	2.88 FOLD	-0.3 %	15.8 %	2.18 FOLD
Ongata Rongai	-0.1%	8.8 %	2.24 FOLD	-6.1 %	7.9 %	2.13 FOLD
Ruaka	0.7 %	4.7 %	1.98 FOLD	1.7 %	7.5 %	2.55 FOLD
Syokimau	1.5 %	4.4 %	1.99 FOLD	-1.6 %	0.6 %	1.95 FOLD
Thika	-1.7 %	3.3 %	1.81 FOLD	1.3 %	13.3 %	2.20 FOLD



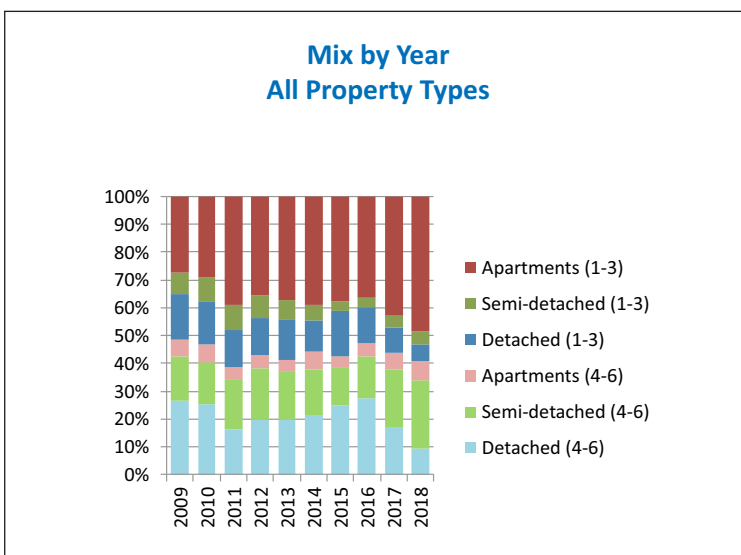
SNAP SHOTS:

- The Hass Composite Sales Index is representative of all properties for sale in Kenya.
- Property values have increased by 4.35 times since 2000.
- The index shows a property price fall of 0.6% in the last month, rise of 0.9% in the last quarter and a -3.4% fall in the last year.



SNAP SHOTS:

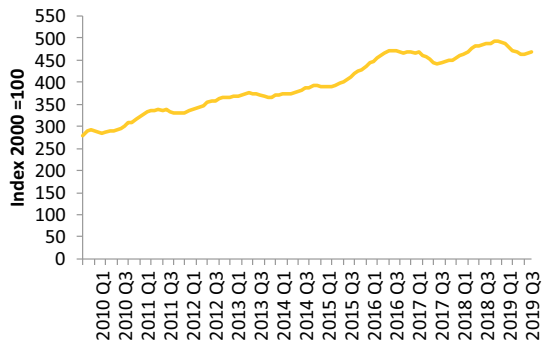
- The annual average is representative of the average price of all properties offered for sale in Kenya.
- The average value for a property has gone from 7.1 million in December 2000 to 31.2 million in September 2019.
- The average value for a 4-6 bedroom property is currently 39.1 million.
- The average value for a 1-3 bedroom property is currently 14.4 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 2018 Apartments took up 55.6% of the market, however, Semi-detached Houses took up 29.2% of the market and Detached Houses took up 15.2% of the market.

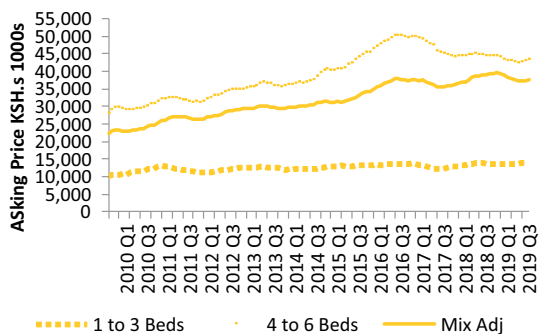
The Hass Rental Index All Property Types



SNAP SHOTS:

- The Hass Composite Letting Index is representative of all properties for rental in Kenya.
- Rents have increased by 3.89 fold since 2001.
- The index shows a property rise of -0.4% in the last month, rise of -0.9% in the last quarter and have risen by 0.8% in the last year.

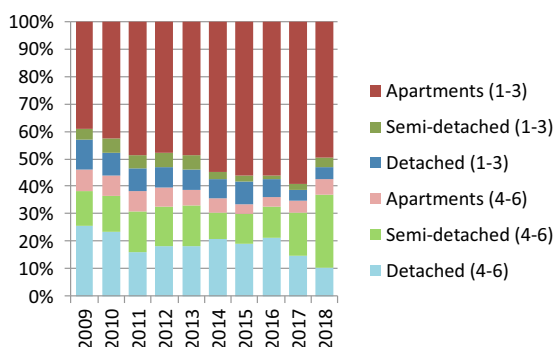
Annual Average All Property Types



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. 149,886 in September 2019.
- The average rent for a 4-6 bedroom property is currently Kshs. 227,506.
- The average rent for a 1-3 bedroom property is currently Kshs. 80,229.

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 2018 however, Apartments took up 55.34% of the market, Semi-detached Houses took up 30.2% of the market and Detached Houses took up 14.6% of the market.