

Rising land prices driven by developer push for high density housing projects

- Land prices in Nairobi’s suburbs rose by 1.6 percent in the third quarter of the year, marginally lower compared to the second quarter growth of 1.8 percent.
- Positive price movement showed resilience of land as an asset in a period of economic difficulties, characterized by high interest rates and uncertain political environment.
- Parklands (3.4 percent), Langata (2.9 percent), Kileleshwa (2.8 percent) and Lavington (2.5 percent) were the catalysts for the third quarter’s increase in price, trending ahead of average growth for suburbs.
- In Nairobi’s satellite towns, the average price of an acre of land rose by 3.01 percent in quarter three, higher than the increase of 2.24 percent witnessed during the previous period.
- A mix of attractive pricing levels and upcoming infrastructure development helped raise prices in Mlolongo and Thika up by 6.6. percent and 6.3 percent respectively.
- Annual price growth of between 18 and 18.5 percent in Syokimau, Limuru and Mlolongo portrays these areas favourably, rivalling returns on offer from government bonds and NSE shares.

Land Index Highlights:

The Hass Composite Land Index, Nairobi Suburbs	Quarter % Change	Annual % Change	Change From 2014
Nairobi-18 Composite Index Results	1.60%	8.21%	1.29 Fold
Suburb with Highest Quarterly Increase in Land Price	Land in Parklands (+3.40 % over last quarter)		
Suburb with Highest Annual Increase in Land Price	Land in Spring Valley (+13.49 % over last year)		
Suburb with Lowest Quarterly Increase in Land Price	Land in Kitisuru (-0.43 % over last quarter)		
Suburb with Lowest Annual Increase in Land Price	Land in Kilimani (+1.91 % over last year)		
The Hass Composite Land Index, Nairobi Satellite Towns	Quarter % Change	Annual % Change	Change From 2014
Nairobi Satellite-14 Composite Index Results	3.02%	12.58%	2.12 Fold
The Town with Highest Quarterly Increase in Land Price	Land in Mlolongo (+6.58 % over last quarter)		
The Town with Highest Annual Increase in Land Price	Land in Mlolongo (+18.49 % over last year)		
The Town with Lowest Quarterly Increase in Land Price	Land in Ruaka (-0.87 % over last quarter)		
The Town with Lowest Annual Increase in Land Price	Land in Ongata Rongai (+7.08 % over last year)		

HassConsult today unveiled the Hass Land price indices for the third quarter of 2024, showing land prices in Nairobi City's suburbs rising by 1.6 percent during the period, while prices in Nairobi's satellite towns rose by 3.02 percent.

The price growth was supported by rising land demand for new developments, as the real estate sector continued its recovery from a prolonged slump. In the city's suburbs, land prices have now gone up by more than one percent, in each of the last four quarters, breaking the prior run of 26 straight periods of sub-one percent growth.

Parklands, which has had a surge of development activity – for both commercial and residential developments in the last two years, led the market with land price increases of 3.4 percent to average Ksh434.2 million per acre.

Langata and Kileleshwa also made a strong showing with gains of 2.9 percent and 2.8 percent respectively, indicating that demand is shifting back to areas that can support multi dweller units in a market that still remains price sensitive in a tough economy.

“The leading suburbs in quarterly land price growth have emerged as the city's hotspots for apartment and mixed-use developments, hence the demand driven price increase,” said Ms. Sakina Hassanali, Head of Development Consulting and Research at HassConsult.

In Nairobi's satellite towns, Mlolongo (6.6 percent), Thika (6.3 percent) and Kiserian (4.7 percent), recorded impressive price growth in the second quarter, driven by a mix of attractive pricing levels and upcoming infrastructure development.

Mlolongo continued to enjoy the benefit of easier access to the city via the Nairobi Expressway, with the areas mix of residential and land industrial developments helping sustain demand for land.

In Thika, the Kiambu County government's recent announcement of a new masterplan to transform the town into an industrial smart-city, has seen developers race to take up land in anticipation of a potential jump in demand for housing and commercial outlets in the area.

The county plan envisages additional roads that will open up the outlying areas of Thika for commercial development, creating new jobs that will attract demand for residential units.

“Prices are more dynamic in satellite towns compared to suburbs, due to evolving development plans and impact of new infrastructure on buyer behavior,” Ms Hassanali added.

Land in the Nairobi satellite towns has also been growing at an annual rate that rivals the returns from other competing asset classes such as bonds and shares at the Nairobi Securities Exchange (NSE).

Prices in Syokimau, Limuru and Mlolongo went up by between 18 and 18.5 percent in the year to September with bond returns expected to fall as the Central Bank of Kenya (CBK) cuts its rate, the attractiveness of land as an investment asset will continue to increase.

For more information, please contact:

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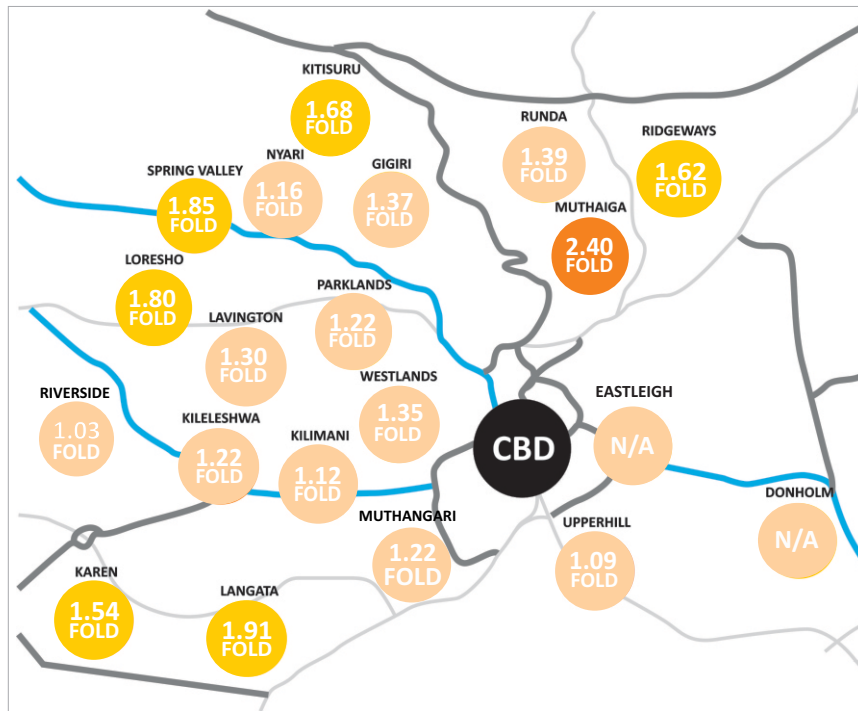
Nairobi Suburbs Land Index	Quarter % Change	Annual % Change	10 Year Change From Oct 2014	Average Value Per Acre (KES)	25 Percentile	75 Percentile
Gigiri	0.1 %	4.8 %	1.37 FOLD	245,700,000	200,000,000	300,000,000
Karen	1.3 %	4.6 %	1.54 FOLD	68,400,000	60,000,000	72,700,000
Kileleshwa	2.8 %	3.9 %	1.22 FOLD	303,200,000	255,100,000	350,000,000
Kilimani	1.1 %	1.9%	1.12 FOLD	406,100,000	360,000,000	444,400,000
Kitisuru	-0.4 %	5.2 %	1.68 FOLD	99,700,000	80,000,000	116,000,000
Langata	2.9 %	8.4 %	1.91 FOLD	85,500,000	65,000,000	112,000,000
Lavington	2.5 %	12.6 %	1.30 FOLD	255,300,000	192,100,000	316,700,000
Loresho	0.9 %	7.0 %	1.80 FOLD	110,000,000	80,000,000	133,300,000
Muthaiga	0.7 %	9.2 %	2.40 FOLD	234,300,000	200,000,000	250,000,000
Muthangari	0.6 %	3.9 %	1.22 FOLD	383,200,000	330,000,000	410,300,000
Nyari	1.3 %	3.5 %	1.16 FOLD	114,700,000	100,000,000	125,000,000
Parklands	3.4 %	7.0 %	1.22 FOLD	434,200,000	350,000,000	514,100,000
Ridgways	1.5 %	9.2 %	1.62 FOLD	92,000,000	80,000,000	96,000,000
Riverside	2.2 %	3.6 %	1.03 FOLD	331,500,000	277,800,000	360,000,000
Runda	1.1 %	3.1 %	1.39 FOLD	92,300,000	80,000,000	105,700,000
Spring Valley	2.0 %	13.5 %	1.85 FOLD	270,000,000	166,700,000	366,600,000
Upperhill	1.2 %	4.8 %	1.09 FOLD	506,000,000	403,800,000	521,700,000
Westlands	1.5 %	6.0 %	1.35 FOLD	479,600,000	384,600,000	560,000,000

Nairobi Satellite Town Land Index	Quarter % Change	Annual % Change	10 Year Change From Oct 2014	Average Value Per Acre (KES)	25 Percentile	75 Percentile
Athi River	2.5 %	8.9 %	1.99 FOLD	20,000,000	7,700,000	28,000,000
Juja	2.4 %	15.7 %	3.44 FOLD	22,200,000	10,400,000	27,900,000
Kiambu	2.0 %	15.2 %	1.59 FOLD	49,700,000	31,000,000	64,000,000
Kiserian	4.7 %	16.6 %	2.47 FOLD	11,800,000	5,500,000	16,600,000
Kitengela	0.3 %	10.4 %	2.44 FOLD	17,300,000	10,000,000	20,000,000
Limuru	2.2 %	18.0 %	1.78 FOLD	23,900,000	14,000,000	31,000,000
Mlolongo	6.6 %	18.5 %	1.62 FOLD	43,200,000	25,000,000	50,500,000
Ngong	2.1 %	7.8%	2.35 FOLD	36,000,000	22,000,000	48,000,000
Ongata Rongai	1.6 %	7.1 %	1.75 FOLD	27,100,000	12,000,000	35,400,000
Ruaka	-0.9 %	10.4 %	2.04 FOLD	110,100,000	70,000,000	144,000,000
Ruiru	4.9 %	16.8 %	2.40 FOLD	34,500,000	20,000,000	43,500,000
Syokimau	4.8 %	18.1 %	2.22 FOLD	36,600,000	28,000,000	40,000,000
Thika	6.3 %	8.8 %	2.07 FOLD	28,600,000	18,500,000	32,000,000
Tigoni	2.1 %	8.0 %	1.97 FOLD	33,200,000	25,000,000	38,000,000

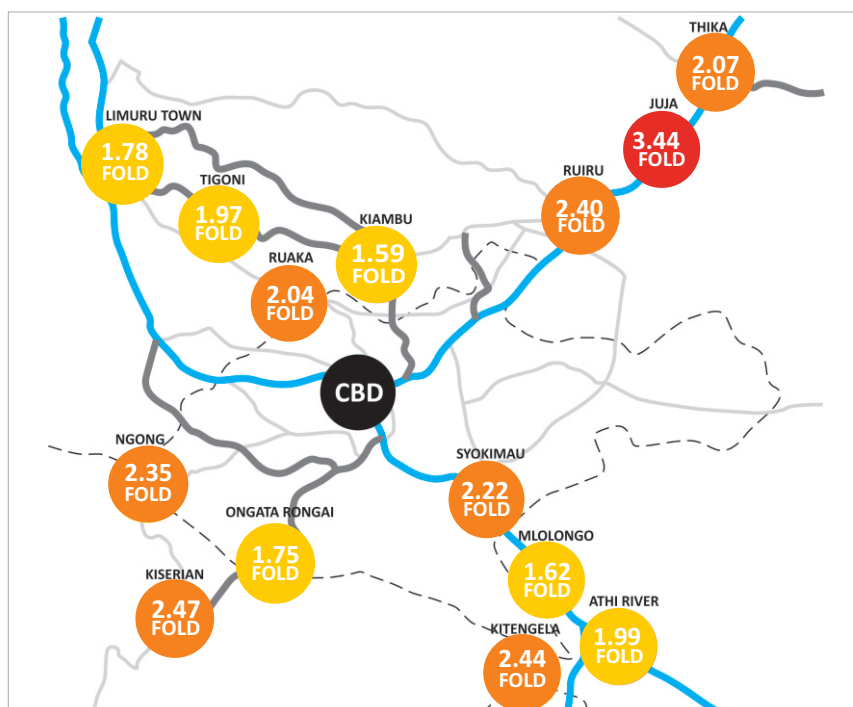
*Price Values rounded to nearest Kshs. 100,000

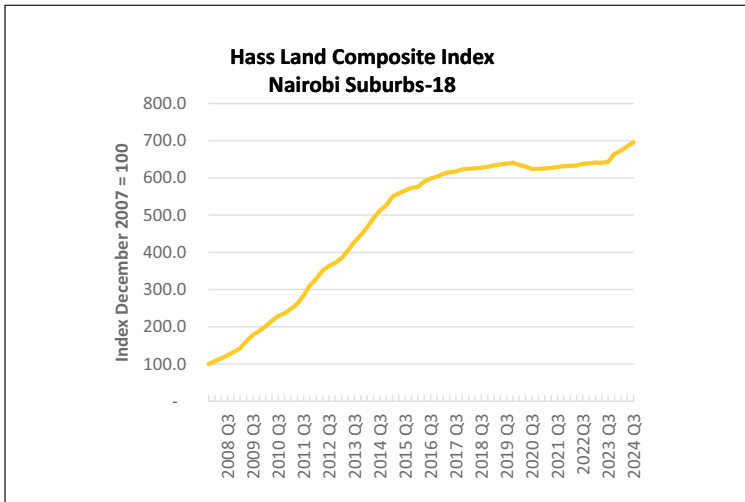
Land Index Heat Maps

Nairobi-18 Suburbs Change in Prices Since Oct 2014



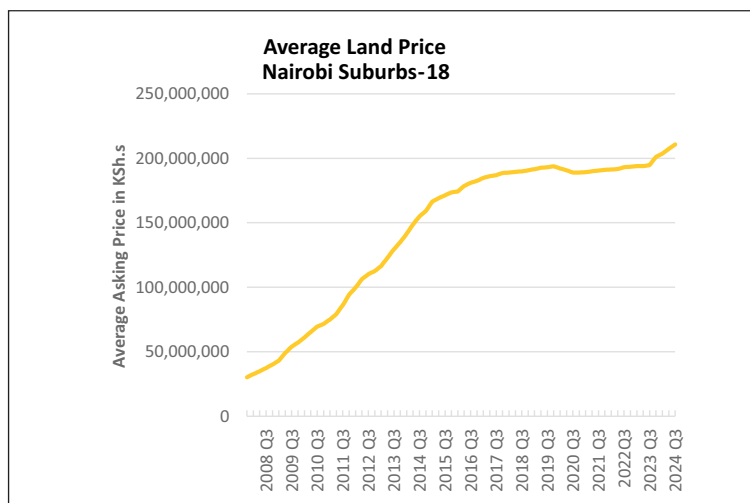
Nairobi-14 Satellite Towns Change in Prices Since Oct 2014





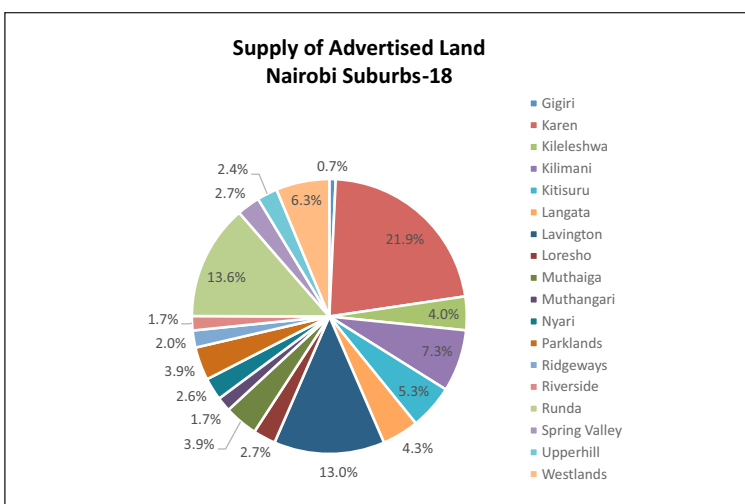
SNAP SHOTS:

- The Nairobi Suburbs-18 Land Index is representative of Land for Sale in Nairobi covering 18 highest activity suburbs.
- Land values have increased by 6.96 fold since December 2007.



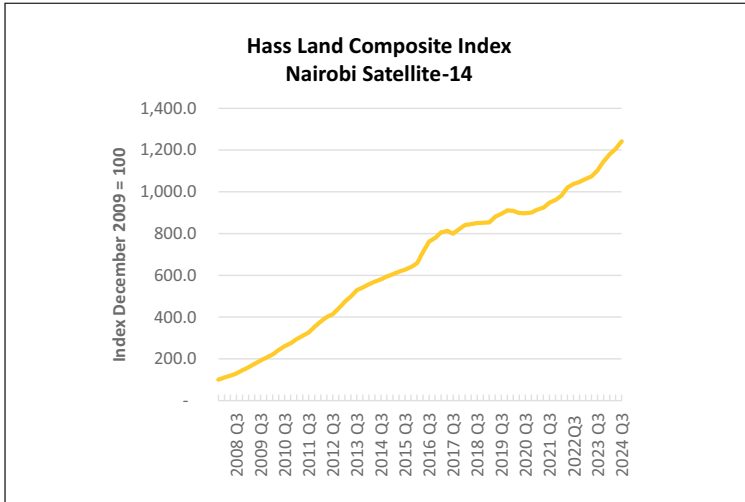
SNAP SHOTS:

- 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 210.7 million in September 2024.



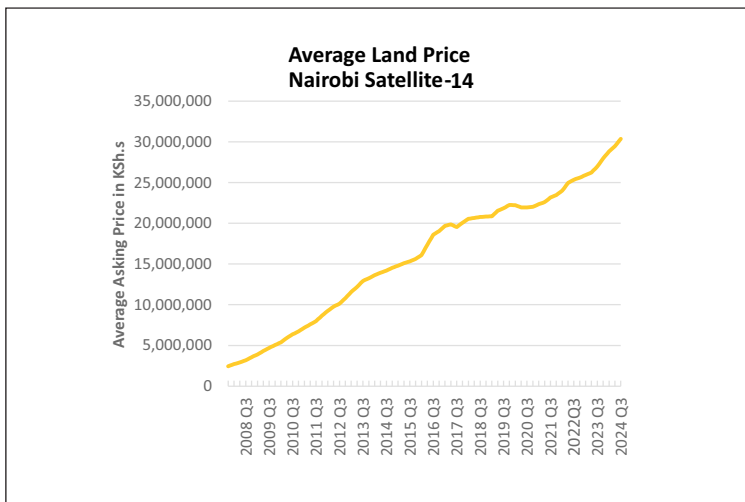
SNAP SHOTS:

- The Mix is a measure of the percentage that each suburb represents in the market for 18 Nairobi suburbs.
- Land in Gigiri took up 0.7% of the market, Karen 21.9%, Kileleshwa 4.0%, Kilimani 7.3%, Kitisuru 5.3%, Langata 4.3%, Lavington 13.0%, Loresho 2.7%, Muthaiga 3.9%, Muthangari 1.7%, Nyari 2.6%, Parklands 3.9%, Ridgeways 2.0%, Riverside 13.6%, Runda 1.7%, Spring Valley 2.7%, Upperhill 2.4% and Westlands 6.3% respectively.



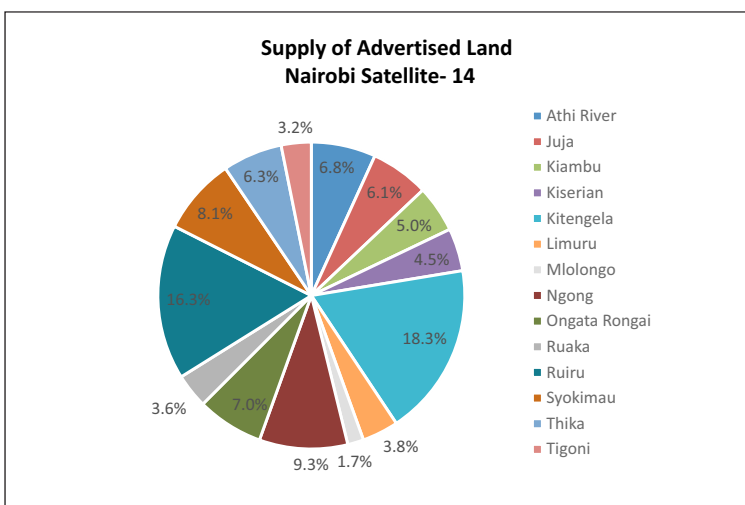
SNAP SHOTS:

- The Nairobi Satellite-14 Land Index is representative of Land for Sale in 14 Satellite towns outside Nairobi suburbs.
- Land values have increased by 12.42 fold since December 2007.



SNAP SHOTS:

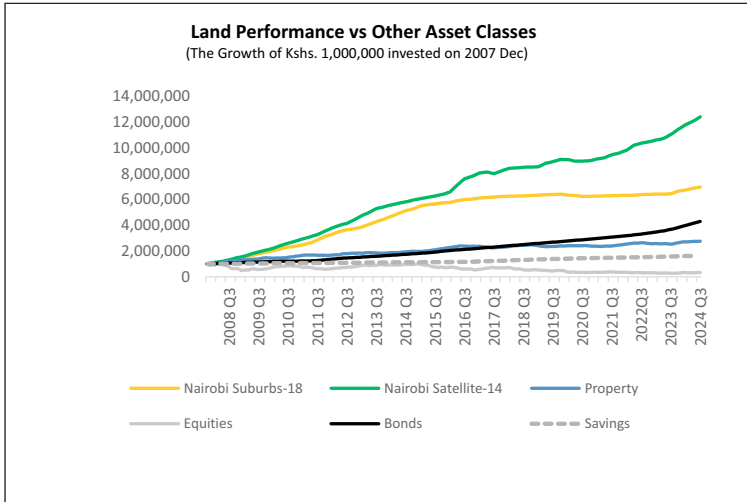
- The annual average is representative of the average price of land for sale in outside Nairobi covering 14 highest activity Satellite towns.
- The average value for land has gone from 2.4 million in December 2007 to 30.4 million in September 2024.



SNAP SHOTS:

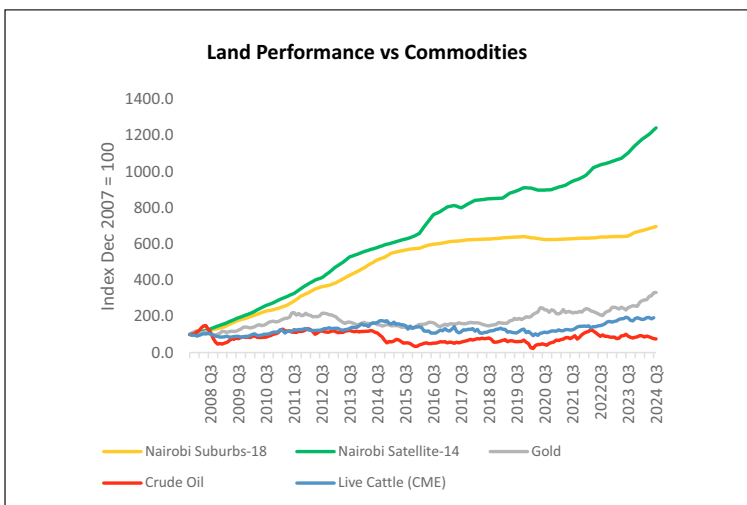
- The Mix is a measure of the percentage that each town represents in the market for the Nairobi 14 Satellite towns.
- Land in Athi River took up 6.8% of the market, Juja took up 6.1%, Kiambu 5.0%, Kiserian 4.5%, Kitengela 18.3%, Limuru 3.8%, Mlolongo 1.7%, Ngong 9.3%, Ongata Rongai 7.0%, Ruaka 3.6%, Ruiru 16.3%, Syokimau 8.1%, Thika 6.3% and Tigoni 3.2% respectively.

Land as an Investment



SNAP SHOTS:

Ksh. 1 Million invested at the end of 2007 would have been worth KES. 12.40M if invested in land in Nairobi Satellite-14, KES. 6.96M if invested in land in Nairobi Suburbs-18, KES. 2.75M if invested in property (The Hass Sales Composite Index, All Properties), KES. 4.30M if invested in bonds and KES. 1.63M if invested in savings and only KES. 0.32M if invested in Equities.



SNAP SHOTS:

The Hass Land Composite Index, Nairobi Satellite-14 index value was 1242.1 outperforming Nairobi Suburbs-18 which had an index value of 696.2, Gold 332.5, Live Cattle (CME) 192.1 and Crude Oil worst performing with only 75.9 index value.