



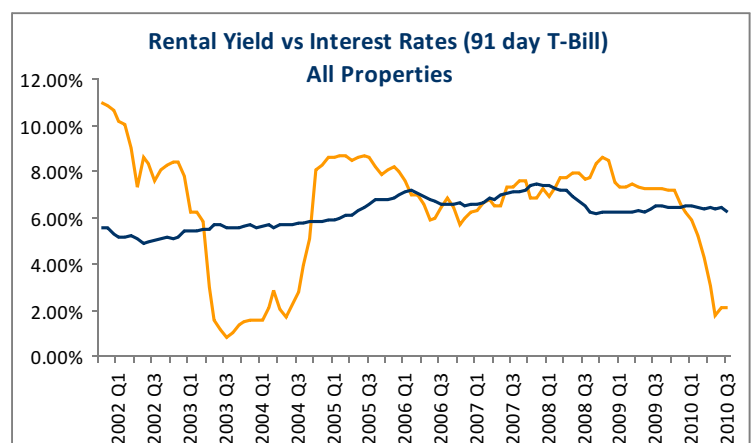
## Property was the investment of the decade in Kenya, ahead of the stock market

- The Kenya residential property market has outperformed the Nairobi stock market over the last ten years.
- Over the last 10 years, the stock market outperformed the property market only substantially during the 2004-2007 bull run
- The property investment returns have been greatest in urban, stand-alone houses, where prices are 3.5 times higher than a decade ago, compared with share prices that are typically 2.42 times higher than a decade ago
- The lowest capital returns (value appreciation) in the property residential sector have been in apartments, which have underperformed the stock market and all other property investments, with prices now at not quite double the levels of 10 years ago
- For investors buying property for renting out, rental yields have held firmly at above 6 per cent in 2010, sharply ahead of the interest rates on government Treasury Bills, which have fallen to below 3 per cent in recent months
- Rental yields in the third quarter of 2010 were highest for town houses, at 7.9 per cent, and for apartments at 7.6 per cent

### Key Points:



Blue line denotes property performance



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RESIDENTIAL SUB-SECTOR	ANNUALISED GROWTH
Stand Alone Houses	26%
Town Houses	16%
Apartments	10%

RESIDENTIAL SUB-SECTOR	10 YEAR AVERAGE RENTAL YIELD
Stand Alone Houses	6.6%
Town Houses	8.7%
Apartments	6.7%



## **Property was the investment of the decade in Kenya, ahead of stock market**

Fund manager Stanbic Investments and real estate agency HassConsult today unveil a special report on the Kenya property market revealing that the residential sector of property market has actually outperformed the Nairobi stock exchange over the last 10 years.

The report highlights property's returns to the investment top spot from mid-2008, with standalone houses proving the decade's best returns.

For an investor buying into residential property at the beginning of the decade, their property was typically worth 2.83 times more than their original investment by the third quarter of 2010. For those who invested in the Nairobi Stock Exchange at the beginning of the year 2000, their investment is now typically worth 2.42 times more than they first invested.

"This report highlights the continuing resilience of the housing market as a long term investment in Kenya, with strong demand holding prices firm throughout the economic slowdown, and rising prices for houses continuing to drive overall property returns," said Anthony Mwithiga, Chief Investment Officer at Stanbic Investments.

"At the same time, the relative stability in rentals has continued to deliver returns that are now very attractive considering the current low interest rate environment," he said.

"This data further supports our belief that property is a strong asset class which has been inflation beating yet is under exploited in portfolios. More consideration should be made by institutional investors into the property sector." said Mr. Mwithiga.

Rental yields in the third quarter of 2010 were 6.4 per cent on rental houses, 7.9 per cent on town houses, and 7.6 per cent for apartments.

HassConsult and Stanbic Investments are looking forward to continue working together in order to develop comprehensive information on the property market.

For more information, please contact:

**Anthony Mwithiga - Chief Investment Officer**

**Mohamed Jivanjee – Property Analyst**

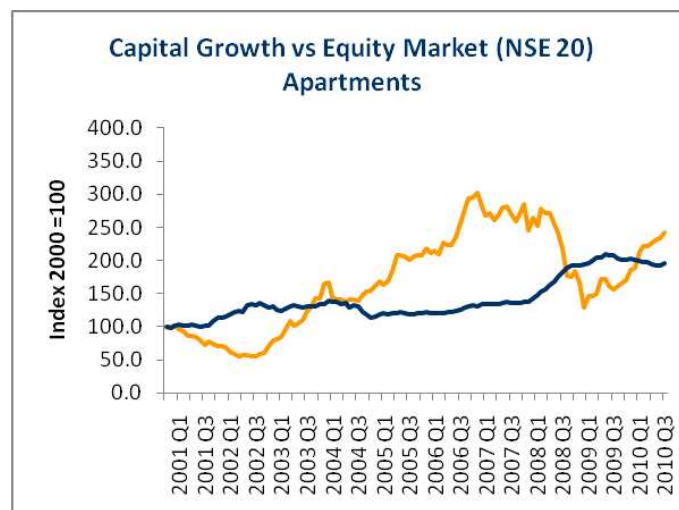
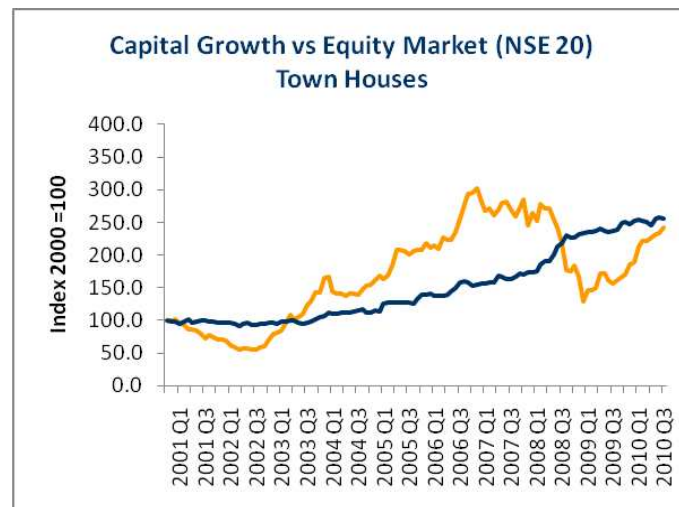
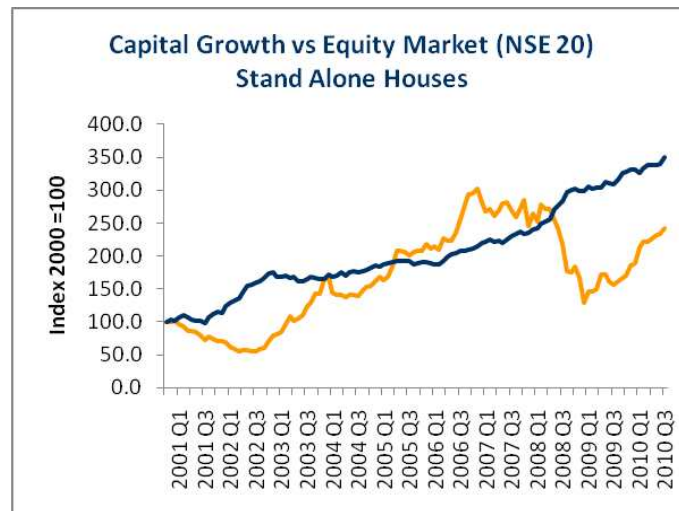
Stanbic Investment Management Services (E.A.) Limited

CFC House, Nyerere Road

Tel: +254 020 3268508



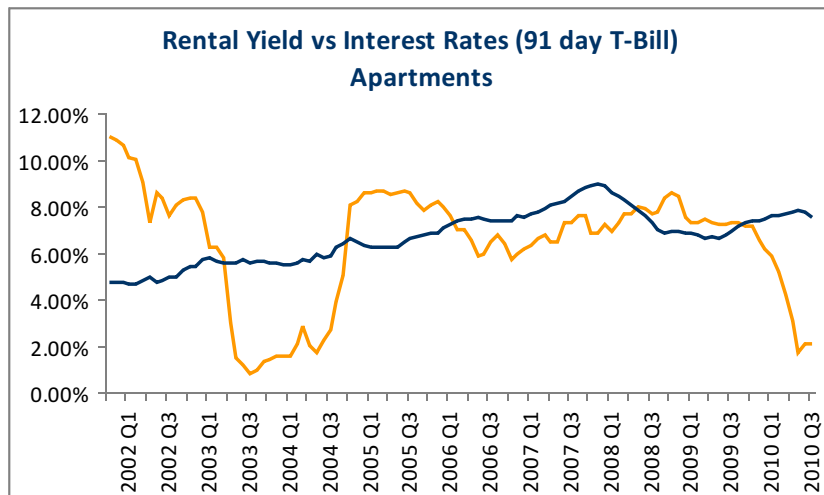
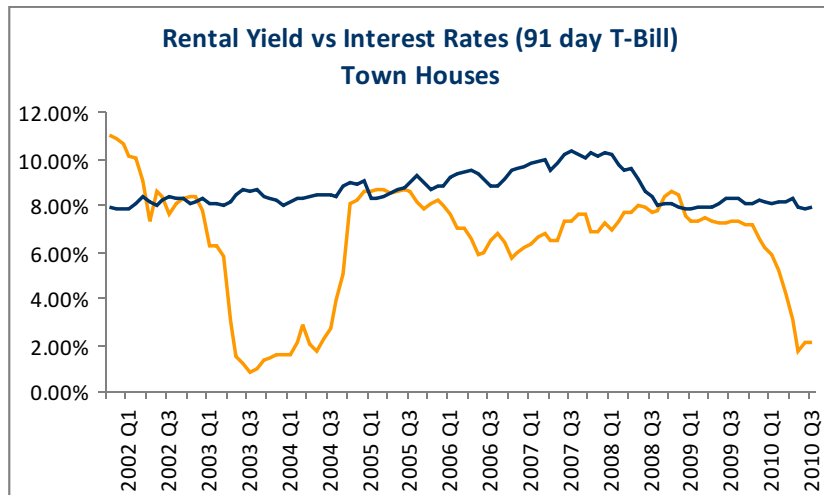
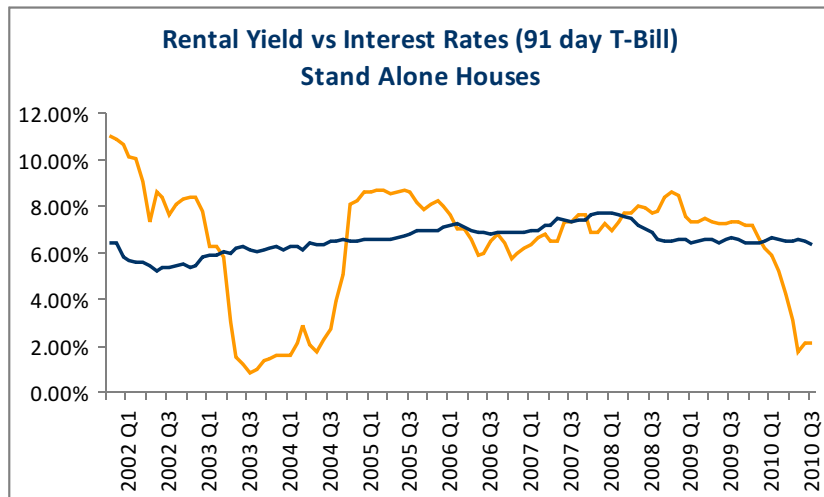
## Capital Growth Vs. Equity market (NSE 20): Comparison By Property Type



Blue line denotes property performance



## Rental Yield Vs. Interest Rates (91 day T-Bill): Comparison By Property Type



Blue line denotes property performance