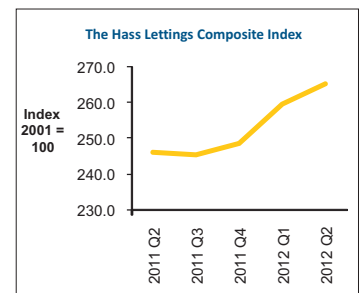
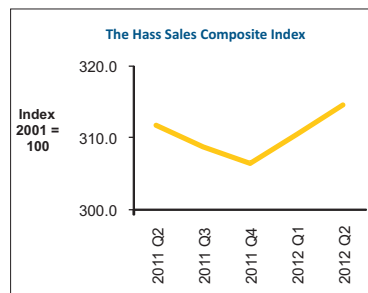


Rents now rising at ten times the rate of last two years

- House prices remained resilient, despite the high mortgage rates, with asking prices up 1.3 per cent on previous quarter
- Closing prices across all houses rose by 0.5 per cent
- The strongest house price gains came from stand alone houses, where asking prices rose by a significant 2.9 per cent, reversing the price falls of last year
- Town houses continued to track upwards steadily on asking prices, up 1.1 per cent on March prices, and 6.8 per cent on a year earlier
- Asking rents are now climbing rapidly, at ten times the rate during 2010 and 2011
- Asking rents across all properties were almost flat from September 2009 to September 2011, rising just 1.5 per cent over the two years
- In the nine months since September last year, asking rents across all properties have risen by 7.9 per cent, with 6.6 per cent of that increase in the first half of 2012
- The rental rises have been sharpest for apartments, up 10.33 per cent in the nine months since September last year

Index Highlights:

SALES AND LETTINGS COMPOSITE INDEX YEAR TO Q2



HEADLINES - HASS COMPOSITE SALES INDEX	% Change in Quarter	% Change in Year
All Properties	1.3%	0.9%
Stand Alone Houses	2.7%	1.9%
Townhouses	1.1%	6.8%
Apartments	0.5%	3.0%

* The Hass Composite Sales Index is a measure of asking sales prices, based on Mix Adjusted Methodology

HEADLINES - HASS COMPOSITE LETTINGS INDEX	% Change in Quarter	% Change in Year
All Properties	2.2 %	7.7 %
Stand Alone Houses	2.3 %	8.3%
Townhouses	2.9 %	4.1 %
Apartments	2.4 %	11.7%

* The Hass Composite Lettings Index is a measure of asking sales prices, based on Mix Adjusted Methodology

HassConsult today announces the results for the first quarter 2012 of its house price and rentals indices, revealing ongoing hikes in rentals against a backdrop of stable house prices.

The rise in asking rentals is now running at 10 times the rate during 2010 and 2011, when rents were close to static. From September 2009 to September 2011, the asking prices for rents rose by just 1.5 per cent in total.

However, rising property costs, inflation and - seemingly instrumentally - interest rates, have led to a sharp take-off in rents, now sustained for three successive quarters.

Since the end of September last year asking rents across all property types have risen by 7.9 per cent, with 6.6 per cent of that increase falling in the first half of 2012.

The sharpest rises are happening in apartment rents, which have risen 10.33 per cent since the climb in rents began at the end of September last year, and 8.1 per cent since the beginning of 2012.

“This surge in rental prices comes as landlords cover higher finance and other costs, and at a time when there is an increased volume of people seeking the same pool of rental properties, as potential homeowners hold off from purchasing,” said Ms Farhana Hassanali-Hashmani, Property Development Manager at HassConsult.

“It is a rise that starkly brings home the immediate impact on all Kenyans of the bottleneck caused in building and buying by pushing finance out of reach for many developers and mortgaged homeowners,” she said.

Against this backdrop, Hass welcomed wholeheartedly the first move by the CBK to bring down interest rates, with the cut in the base rate last week from 18 per cent to 16.5 per cent. “The prevailing monetary policy has represented a 'closedown' for home developers in a country where we are severely short of good homes,” said Ms Hassanali-Hashmani.

However, following the decision to cut the frequency of meetings for the Monetary Policy Committee that sets interest rates, to once every two months, HassConsult urged the committee to work as rapidly as possible to bring interest rates down to a more normal and viable level by global standards.

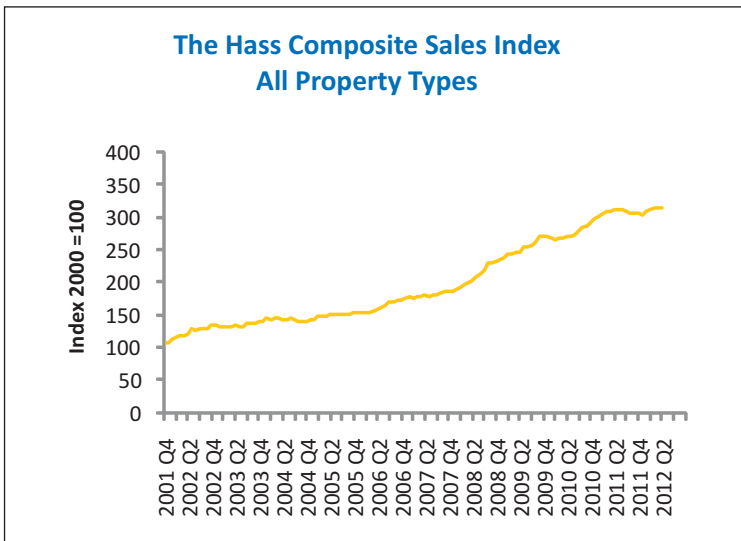
“The hope of attracting foreign funds through top-end rates cannot be ignored, but the impact on ordinary Kenyans of hobbling the real estate industry and creating new rent surges must be considered too in the CBK's efforts to maintain exchange rates at their current levels.”

Also reporting on house prices, HassConsult revealed ongoing stability and even some small gains, with overall closure prices across all types of property rising by 0.5 per cent in the last three months, while asking prices rose by 1.3 per cent.

Within this overall figure came some first signs of substantial price growth in standalone houses, where asking prices have risen by 2.7 per cent in the 12 weeks since the end of March, reversing earlier price falls.

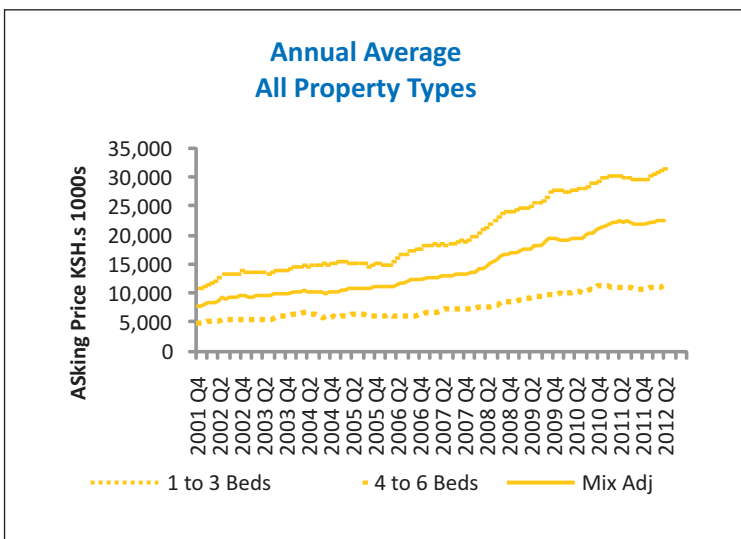
Town houses also continued to record gains in asking prices, by another 1.1 per cent in the last three months, to make for an annual increase of 6.8 per cent – the strongest in any segment in the last year.

“With interest rates now down and expected to fall further, and much building shelved, we now forecast greater trends towards house price growth, which are likely to set in for some time before we see any relief in the current rate of rent rises,” said Ms Hassanali-Hashmani.



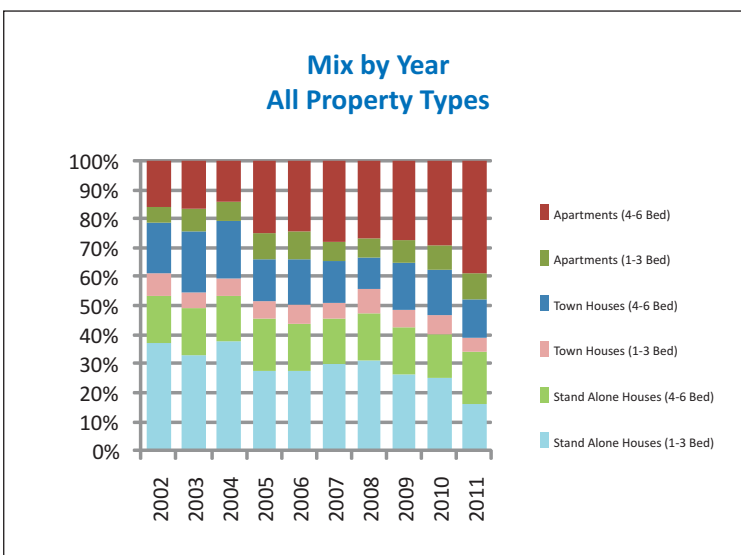
SNAP SHOTS:

- The Hass Composite sales Index is representative of all property for sale in Kenya
- Property values have increased by 3.14 times since 2000
- The index shows a property price rise of 1.3% in the last quarter and a 0.9% rise in the last year



SNAP SHOTS:

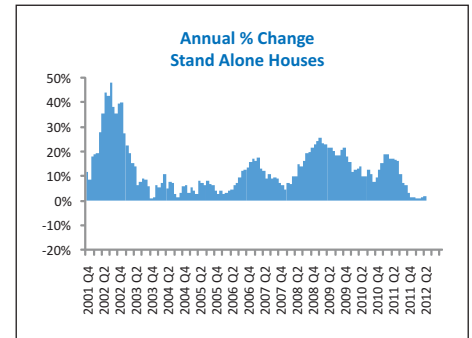
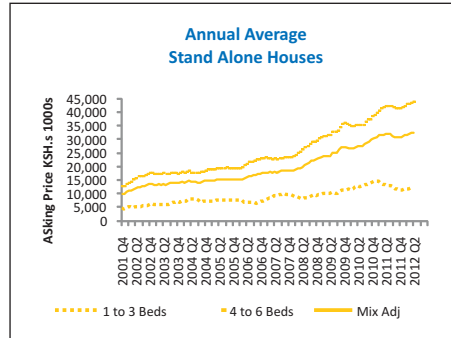
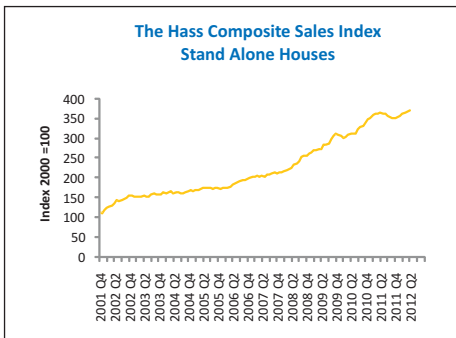
- The annual average is representative of the average price of all properties offered for sale in Kenya
- The average value for a property has gone from 7.1 million in December 2000 to 22.5 million in June 2012
- The average value for a 4-6 bedroom property is currently 31.4 million
- The average value for a 1-3 bedroom property is currently 11.1 million



SNAP SHOTS:

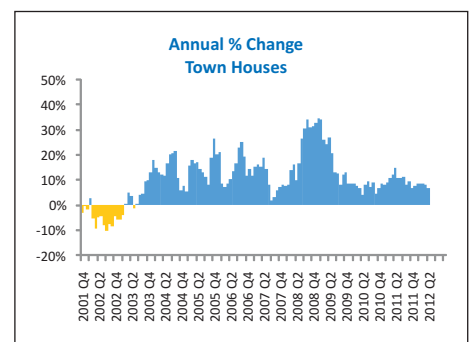
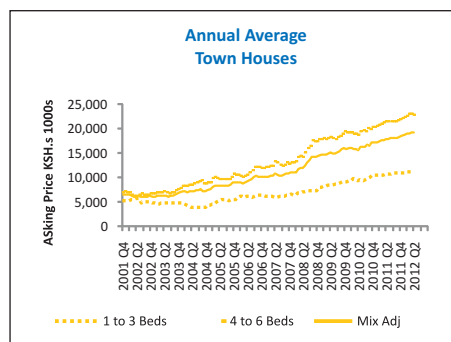
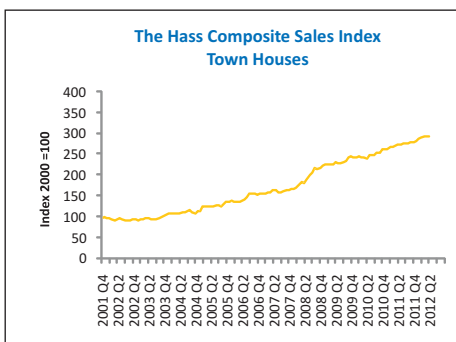
- The Mix by Year is a measure of the percentage that each type of property represents in the market.
- In 2001, apartments took up 23.5% of the market, Town Houses took up 24.5% of the market and Stand alone houses took up 52% of the market.
- In 2012 however, apartments took up 43.6% of the market, Town Houses took up 26.9% of the market and Stand alone houses took up 29.5% of the market

Breakdown of 10 years data by Year



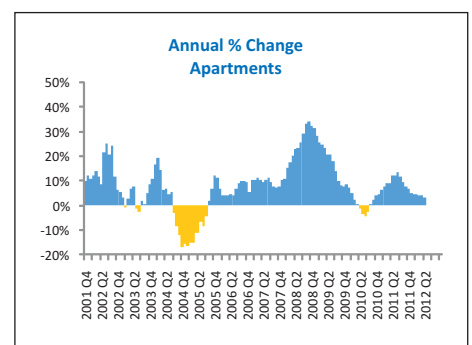
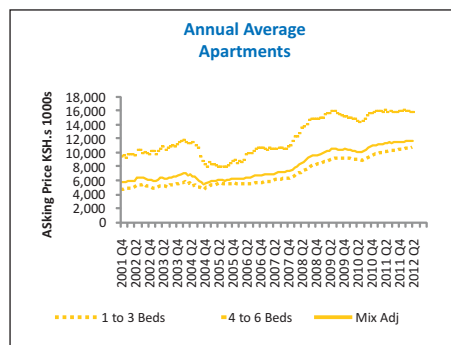
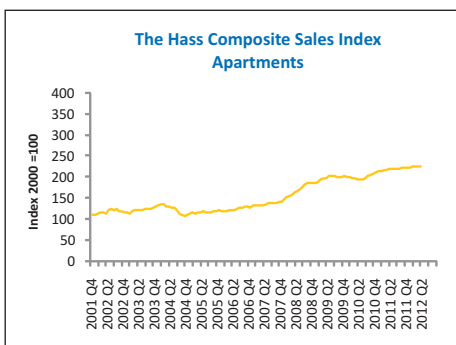
SNAP SHOTS:

- Stand Alone houses include houses, bungalows, cottages and villas either on their own plot or in a gated community.
- Property values for stand alone houses have increased by 3.7 times since 2001, a 2.7% rise in the last quarter and a 1.9 rise in the last year. The average price for a stand alone house is currently 32.6 million up from 8.8 million in December 2000



SNAP SHOTS:

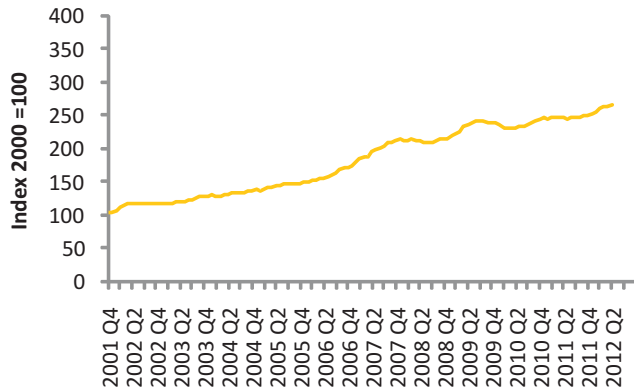
- Town houses include townhouses and maisonettes that are semi-detached or terraced.
- Property values for town houses have increased by 2.9 times since 2001, a 1.1% rise in the last quarter and a 6.8% rise in the last year. The average price for a town house is currently 19.1 million up from 6.5 million in December 2000.



SNAP SHOTS:

- Apartments include apartments, duplexes and triplexes.
- Property values for apartments have increased by 2.2 times since 2001, a 0.5% rise in the last quarter and a 3.0% rise in the last year. The average price for an apartment is currently 11.7 million up from 5.2 million in December 2000.

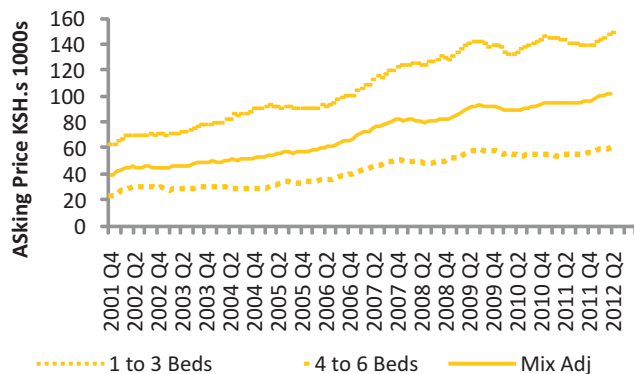
**The Hass Composite Lettings Index
All Property Types**



SNAP SHOTS:

- The Hass Composite Letting Index is representative of all property for rental in Kenya
- Rents have increased by 2.6 times since 2001
- The index shows rents have risen by 2.2% in the last quarter but have risen by 7.7% in the last year

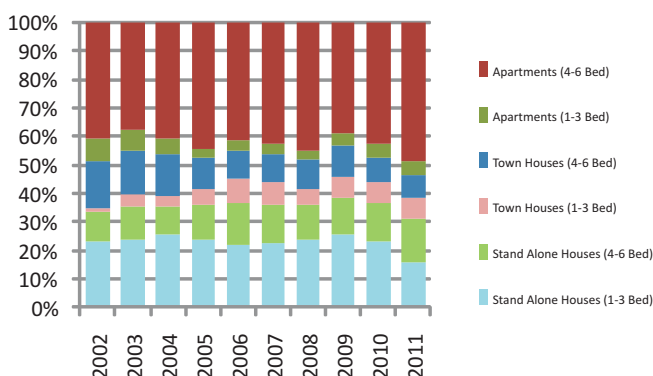
**Annual Average
All Property Types**



SNAP SHOTS:

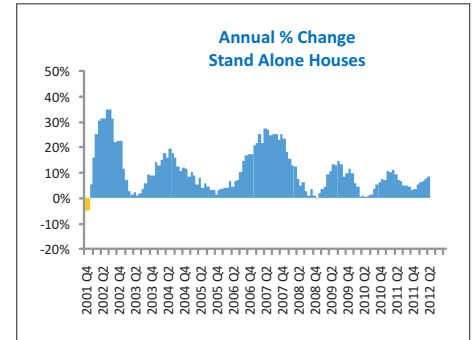
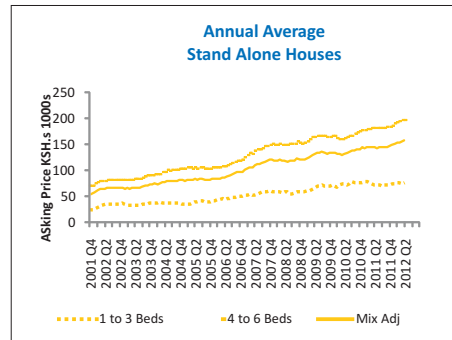
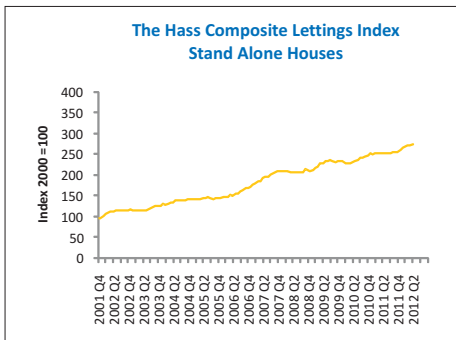
- The annual average is representative of the average rent of all properties offered to let in Kenya.
- The average rental for a property has gone from Kshs. 38,516 in December 2000 to Kshs. 102,044 in June 2012.
- The average rent for a 4-6 bedroom property is currently Kshs. 148,998
- The average rent for a 1-3 bedroom property is currently Kshs. 60,122

**Mix by Year
All Property Types**



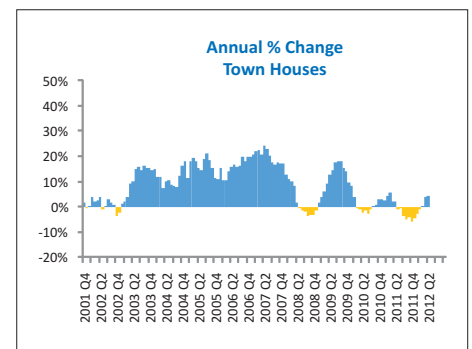
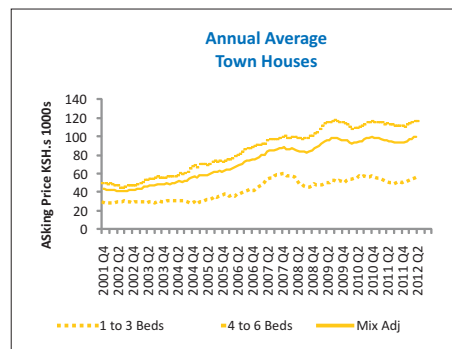
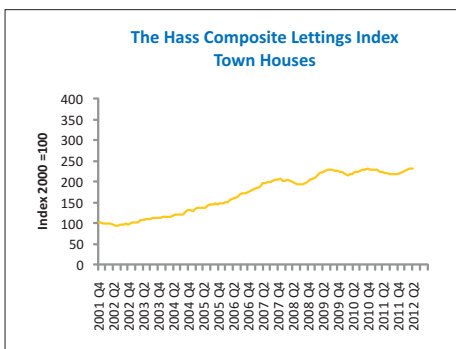
SNAP SHOTS:

- 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, Town Houses took up 20.5% of the market and Stand alone houses took up 34.1% of the market.
- In 2012 however, apartments took up 56.3% of the market, Town Houses took up 19.6% of the market and Stand alone houses took up 24.1% of the market



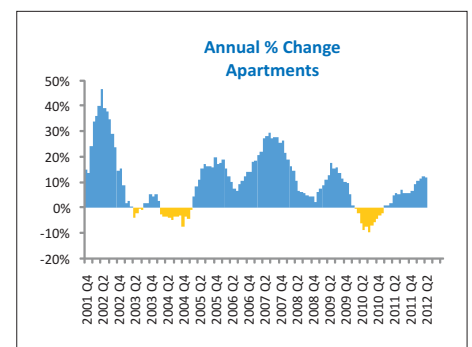
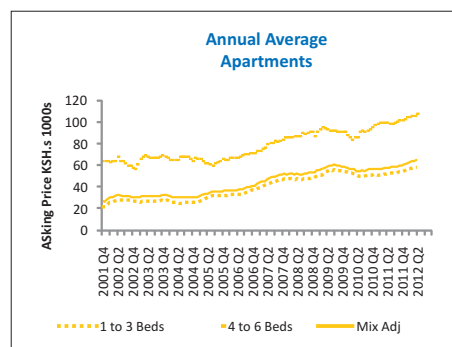
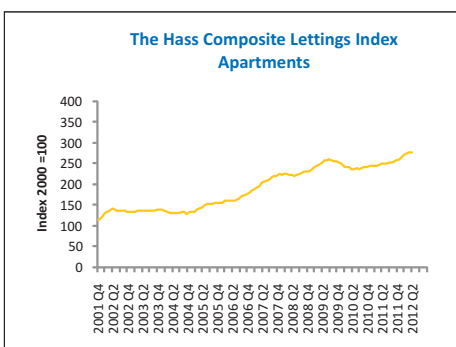
SNAP SHOTS:

- Stand Alone houses include houses, bungalows, cottages and villas either on their own plot or in a gated community.
- Rental values for stand alone houses have increased by 2.7 times since 2001, a 2.3% rise in the last quarter and a 8.3% rise in the last year. The average rental for a stand alone house is currently Kshs. 156,396 up from Kshs. 56,959 in December 2000.



SNAP SHOTS:

- Town houses include townhouses and maisonettes that are semi-detached or terraced.
- Rental values for town houses have increased by 2.3 times since 2001, a 2.9% rise in the last quarter and a 4.1% rise in the last year. The average rental for a town house is currently Kshs. 99,288 up from Kshs. 42,688 in December 2000.



SNAP SHOTS:

- Apartments include apartments, duplexes and triplexes.
- Rental values for apartments have increased by 2.8 times since 2001, 2.4% rise in the last quarter and an 11.7% rise in the last year. The average rental for an apartment is currently Kshs. 64,295 up from Kshs. 21,638 in December 2000.