

Kenya Property Index Report

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BuyRentKenya

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Message from CEO



Elizabeth Costabir,
CEO BuyRentKenya

The BuyRentKenya (BRK) Property Index is a comprehensive market report designed to equip property stakeholders, from investors to first-time homebuyers, with accurate, data-driven insights to guide their purchase decisions.

As we release this edition, it's encouraging to note that Kenya's real estate sector continued to demonstrate resilience in early 2025, recording a 5.3% growth, closely aligned with the national GDP expansion of 4.9%.

While agriculture and ICT drove much of the country's overall economic momentum, property remained a steady contributor, reflecting improved market stability and rising investor confidence.

This positive performance reinforces the need for reliable data to help Kenyans navigate an evolving landscape and identify emerging opportunities.

Having access to the right information helps you determine:

- Where to buy property for investment vs. personal residence.
- How to evaluate property performance and forecast return on investment (ROI).
- What emerging market trends could impact your next purchase or development project.

At BuyRentKenya, we believe data is power—and the H2 2025 Index is our commitment to helping Kenyans make smarter, more informed property decisions.





Executive Summary

The H2 2025 Property Index provides an overview of property prices and market trends across Kenya's major regions, covering apartments, houses, and land.

Kenya's housing demand continues to outstrip supply.

- The country requires approximately 250,000 new housing units annually, yet only about 50,000 units are delivered each year.
- This leaves a shortfall of 200,000 homes annually and a backlog exceeding 2 million units (Habitat for Humanity Kenya, World Bank).

Homeownership vs Renting

According to KNBS, 73% of urban dwellers rent their homes, while only 23% own.

With an average formal income of Ksh 55,000 per month (Zamara), owning a home through a mortgage often exceeds the recommended 30% income allocation for housing, forcing many into the rental market.

This report also examines mortgage trends, affordable housing initiatives, policy shifts, and market outlooks, providing a holistic picture of Kenya's real estate landscape.



Methodology

The data used in this report is drawn from BuyRentKenya's extensive property listings database, which features tens of thousands of listings across Kenya.

We derived averages for each property type and region, cross-referencing with public data sources and developer reports to ensure reliability.

BuyRentKenya's data advantage:

- One of the largest sets of real estate data points in Kenya.
- Continuous tracking of price movements, demand, and listing volumes.
- Insights drawn from agents, and developers.

Key Trends at a Glance

1. Land

Land prices have remained stable across most regions, with minor dips in Eastleigh due to shifting investor sentiment.

Land remains a preferred investment vehicle, either for:

- Development projects, or
- Land banking - holding property long-term for appreciation.

Most investors view land as a long-term wealth preservation tool, with increasing interest in satellite towns such as Kitengela, Ruiru, and Joska.





2. Apartments

Apartment prices have been largely stable compared to H1 2025.

The increased supply in areas like Kilimani, Kileleshwa, and Westlands has slowed price growth.

Emerging Trends:

Off-plan purchasing continues to rise - developers attract early buyers with discounts of 5-10%, easing financing pressure.

Studio and one-bedroom units dominate the new supply pipeline, catering to:

- Young professionals,
- Short-term rental investors (Airbnb market),
- Buyers prefer cash or installment payments over mortgages.

Growth in satellite apartment developments, especially in Syokimau, Ruaka, and Ongata Rongai.



3. Houses

Detached and semi-detached houses are being developed primarily in low-density and suburban zones, including:

Loresho, Karen, Runda, Limuru, Ruiru, Juja, Kitengela, and Ngong.

Demand is driven by gated community living, offering:

- Controlled access,
- Improved infrastructure (sewage, water, power),
- Enhanced security and amenities.

Developers are focusing on smaller gated clusters of 10–30 houses for exclusivity and lower maintenance costs.



Market Overview

Kenya's property market continues to strive toward balancing affordability and quality.

Developers are attempting to bridge the housing gap, but supply remains far below demand.

In prime areas like Westlands, Kilimani, and Riverside, prices for luxury apartments exceed Ksh 50 million, making affordable projects financially unviable due to high land acquisition costs.



This has resulted in a dual market:

- High-end properties targeting expatriates and upper-income buyers.
- Affordable housing initiatives aimed at the lower- to middle-income segments.

Economic Context

The broader economic environment remains challenging:

- Wage growth continues to lag behind inflation, limiting disposable income.
- Rising interest rates and currency depreciation have increased construction costs.
- However, foreign investment and diaspora remittances remain strong, sustaining demand in the middle to high-end markets.

Mortgage Rates and Financing

Mortgage uptake remains significantly low across Kenya.

According to Zamara, only 4% of Kenyans can afford a mortgage above Ksh 10 million.

The average mortgage amount stands at Ksh 9 million, with an average tenure of 11 years.

Average interest rates hover around 14.8% per annum





Affordable Mortgage Options

The Kenya Mortgage Refinance Company (KMRC) continues to play a key role, offering 9.5% interest rates to first-time homebuyers purchasing homes below Ksh 10.5 million.

Increased uptake of homes priced under Ksh 8 million as developers adjust to target this segment.

Affordable Housing

The Affordable Housing Programme (AHP) aims to deliver 200,000 units annually to reduce the national housing deficit.

However:

- Deliveries dropped by over 50% in 2024 compared to 2023 (State Department for Housing).
- With 60% of Nairobi's population living in informal settlements, the challenge remains significant.

While the AHP is ambitious, success depends on:

- Financing accessibility for low-income earners.
- Private sector participation through Public-Private Partnerships (PPPs).
- Infrastructure investment in transport, water, and power to support new developments.

Policy Updates

1. Restrictions on SEZ Housing Developments

The government has proposed limiting residential developments in Special Economic Zones (SEZs), such as Tatu City and Tilisi, to employees working within the zones.

Developers in SEZs currently enjoy significant tax incentives, such as:

- Reduced import duties,
- VAT exemptions, and
- Lower corporate tax rates.

These advantages have allowed them to offer properties at more competitive prices than developers outside SEZs, giving them a market edge that others argue is unfair in the broader residential housing market.

2. Annual Land Tax

The government is also considering the introduction of an annual tax on land based on its current market rate.

This replaces the previous structure where landowners only paid tax upon sale or transfer.

The tax would apply to both freehold and leasehold titles, in addition to existing county land rates.

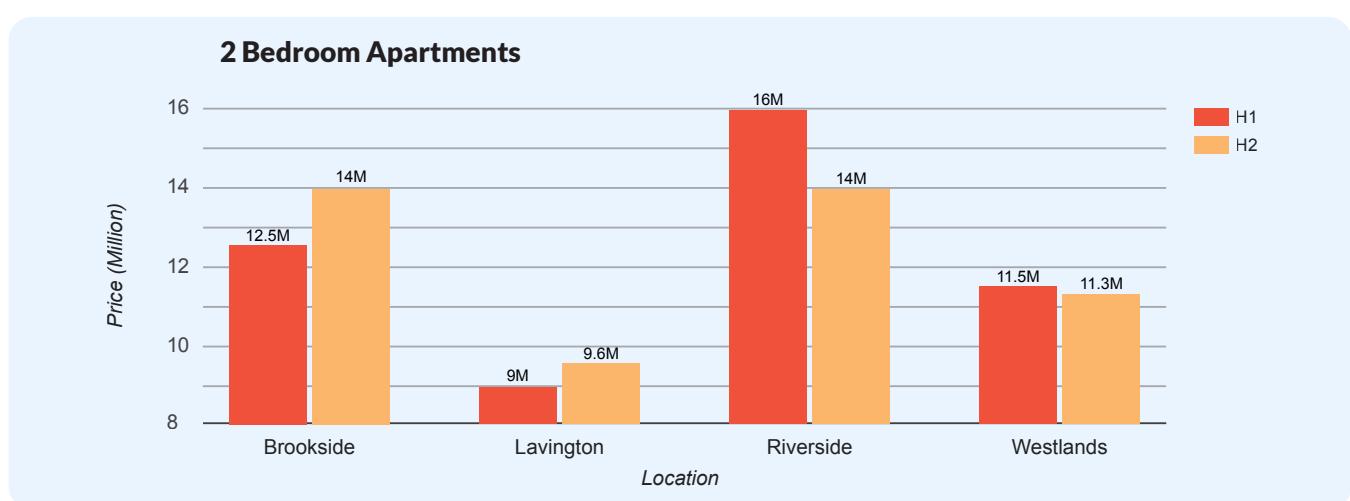
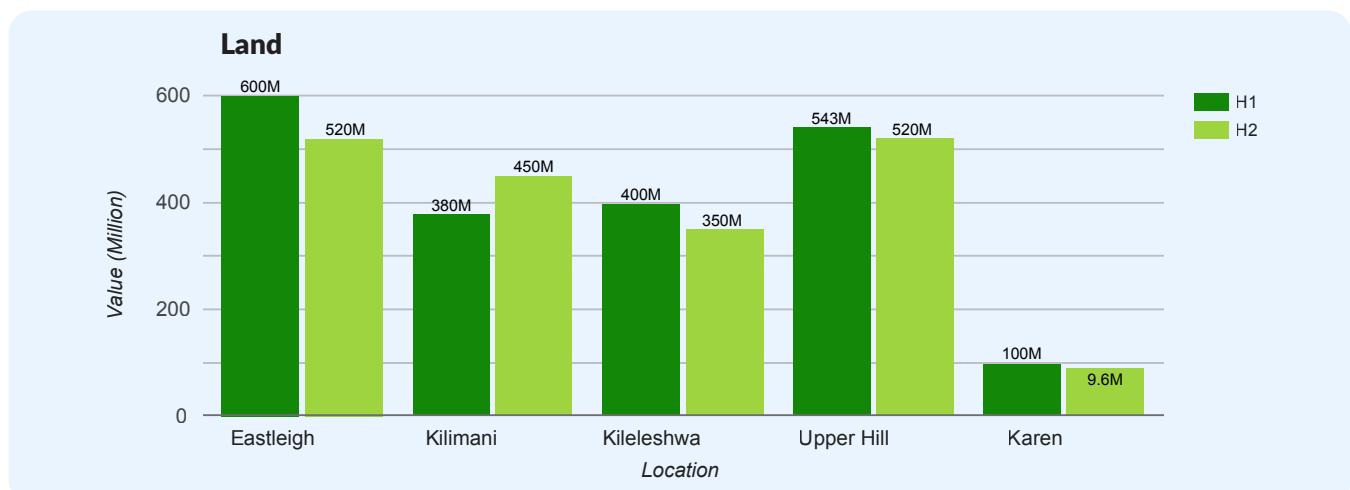
This policy could disproportionately affect elderly or rural landowners, whose land has appreciated but who have limited liquid income, and are not digital savvy to keep up with Ardhisasa.



Half-Year Comparison

There has been minimal price movement between H1 and H2 2025.

- **Land:** Stable, with slight dips in Eastleigh and Kangundo.
- **Apartments:** Prices in Kilimani and Westlands softened by 2-3%.
- **Houses:** Moderate appreciation in Ruiru, Kitengela, and Juja (up 4-6%) driven by infrastructure upgrades.



Top 3 Most Expensive Areas

| Category | 1st | 2nd | 3rd |
|-----------|------------------|-------------------|--------------|
| Houses | Rosslyn | Muthaiga | Lower Kabete |
| Land | Nairobi CBD | Brookside/South B | Eastleigh |
| Apartment | General Mathenge | Spring Valley | Kilimania |

Outlook & Predictions for 2026



Apartments

Expect continued influx of new developments, especially in Westlands, Kileleshwa, and Upper Hill.

Satellite towns (Ruaka, Syokimau, Ruiru, Ongata Rongai) will emerge as new apartment hubs, attracting investors priced out of Nairobi's core.

Short-stay and serviced apartments will grow as tourism and remote work increase demand.



Houses

Stand-alone developments will shift further to peri-urban areas like Limuru, Gikambura, Tigoni, Kamiti Road, and Kikuyu.

Growth in gated communities offering controlled environments, shared amenities, and modern infrastructure.

Buyers increasingly prefer community living over isolated plots.



Land

Expect gradual appreciation in land values in satellite towns, supported by ongoing road expansions and anticipated election-year infrastructure projects.

Land in strategic zones near highways and industrial parks will outperform.



Property Price Index H2

Kenya's property market remains resilient and evolving, despite economic pressures. While affordability continues to challenge many, data-driven decisions, strategic location choices, and government-backed programs are gradually reshaping homeownership possibilities.

For investors and homebuyers alike, the BuyRentKenya H2 2025 Property Index serves as a compass, guiding informed, confident, and rewarding property decisions.

Land Price Index

| | | | |
|-------------|-----------------|---------------|-----------------|
| Bamburi | Ksh 40,000,000 | Kilimani | Ksh 450,000,000 |
| Bofa | Ksh 65,000,000 | Nairobi CBD | Ksh 850,380,952 |
| Brookside | Ksh 550,000,000 | Runda | Ksh 110,000,000 |
| Diani | Ksh 25,000,000 | South B | Ksh 550,000,000 |
| Eastleigh | Ksh 520,000,000 | Spring Valley | Ksh 200,000,000 |
| Gikambura | Ksh 30,000,000 | Tatu City | Ksh 90,000,000 |
| Isinya | Ksh 6,000,000 | Thigiri | Ksh 180,000,000 |
| Juja | Ksh 30,000,000 | Thindigua | Ksh 100,000,000 |
| Karen | Ksh 90,000,000 | Thome | Ksh 60,000,000 |
| Kiambu Road | Ksh 70,000,000 | Tigoni | Ksh 40,000,000 |
| Kiambu Town | Ksh 45,000,000 | Upper Hill | Ksh 520,000,000 |
| Kikuyu Town | Ksh 55,000,000 | Zimmermann | Ksh 140,000,000 |
| Kileleshwa | Ksh 350,000,000 | | |

■ High Demand Areas

■ High to Medium Demand Areas

■ Moderate Demand Areas

■ Emerging Areas

1 Bedroom Apartment

| | | | |
|---------------|----------------|----------------|----------------|
| Athi River | Ksh 3,325,000 | Rhapt Road | Ksh 7,500,000 |
| Bamburi | Ksh 3,138,778 | Riverside | Ksh 8,422,917 |
| Brookside | Ksh 7,676,774 | Rosslyn | Ksh 12,287,500 |
| Diani | Ksh 13,513,268 | Ruaka | Ksh 5,544,000 |
| Kabete | Ksh 4,123,333 | Syokimau | Ksh 5,261,667 |
| Kileleshwa | Ksh 6,000,000 | Tatu City | Ksh 7,000,000 |
| Lavington | Ksh 6,500,000 | Upper Hill | Ksh 7,500,000 |
| Naivasha Road | Ksh 5,000,000 | Westlands Area | Ksh 7,500,000 |
| Nyali Area | Ksh 6,500,000 | | |

■ Very High Demand ■ High Demand ■ Medium Demand ■ Low / Seasonal Demand



2 Bedroom Apartment

| | | | |
|------------------|----------------|----------------|----------------|
| Bamburi | Ksh 4,741,055 | Nyali Area | Ksh 11,805,664 |
| Brookside | Ksh 14,088,378 | Ongata Rongai | Ksh 5,129,185 |
| General Mathenge | Ksh 20,000,000 | Parklands | Ksh 14,602,963 |
| Kileleshwa | Ksh 9,489,557 | Rharta Road | Ksh 14,587,239 |
| Kilimani | Ksh 10,000,000 | Riara Road | Ksh 12,866,667 |
| Kitisuru | Ksh 10,920,833 | Riverside | Ksh 14,000,000 |
| Lavington | Ksh 9,650,275 | Ruaka | Ksh 7,853,175 |
| Mtwapa | Ksh 5,061,538 | Syokimau | Ksh 8,000,000 |
| Naivasha Road | Ksh 6,597,143 | Tatu City | Ksh 10,000,000 |
| Ngong Road | Ksh 8,500,000 | Westlands Area | Ksh 11,370,881 |

■ Very High Demand ■ High Demand ■ Medium Demand ■ Low / Seasonal Demand





4 Bedroom Apartment

| | | | |
|------------------|----------------|----------------|----------------|
| Brookside | Ksh 29,345,454 | Nyali Area | Ksh 33,340,882 |
| General Mathenge | Ksh 48,743,939 | Parklands | Ksh 26,907,609 |
| Hurlingham | Ksh 20,000,000 | Rhaptia Road | Ksh 33,943,333 |
| Kahawa West | Ksh 14,000,000 | Riara Road | Ksh 26,000,000 |
| Kiambu Road | Ksh 19,750,000 | Riverside | Ksh 48,197,082 |
| Kileleshwa | Ksh 22,925,952 | Ruaka | Ksh 11,500,000 |
| Kilimani | Ksh 18,895,771 | Spring Valley | Ksh 60,204,545 |
| Kizingo | Ksh 34,535,714 | Syokimau | Ksh 15,478,750 |
| Langata | Ksh 22,000,000 | Tudor | Ksh 14,500,000 |
| Lavington | Ksh 23,487,500 | Upper Hill | Ksh 26,000,000 |
| Loresho | Ksh 68,684,211 | Valley Arcade | Ksh 22,000,000 |
| Mkomani | Ksh 28,666,667 | Westlands Area | Ksh 24,984,615 |

■ Very High Demand

■ High Demand

■ Medium Demand

■ Low / Seasonal Demand



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