STATISTICAL RELEASE

Residential Property Price Index (RPPI) and Inflation

QUARTER ONE | 30TH JUNE 2026





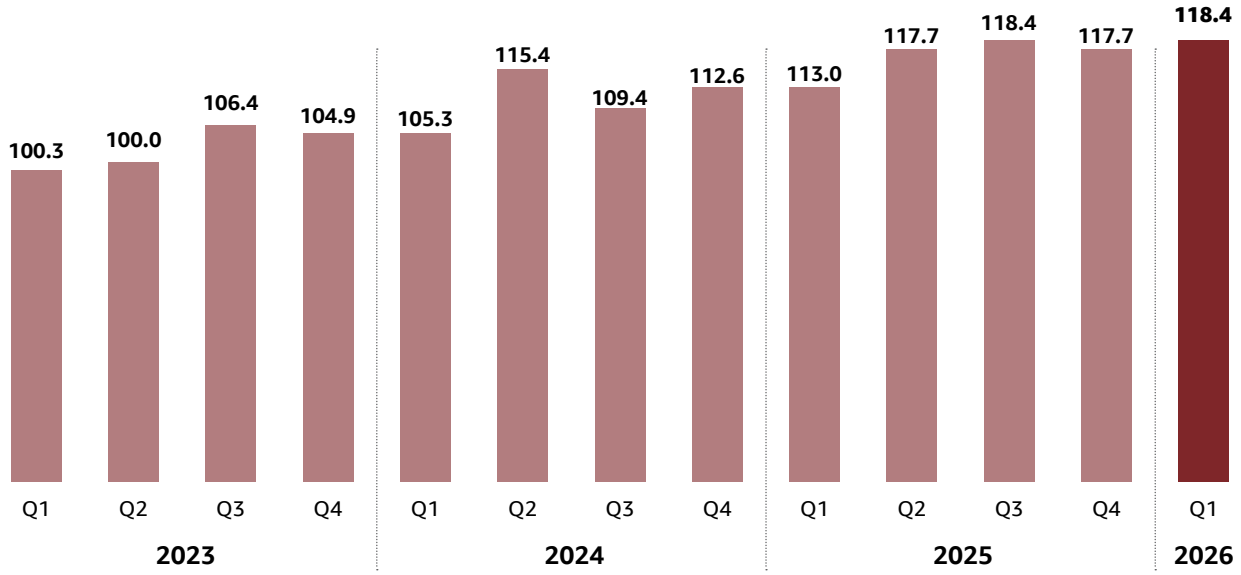
Residential Property Market Posts Moderate Growth in Q1 2026

The average price of residential properties increased by 4.8 percent between Q1 2025 and Q1 2026, driven by an 8.5 percent rise in standalone house prices.

1.0 Introduction

The Residential Property Price Index (RPPI) measures the average change in residential property prices over time. The RPPI measures pure price changes by controlling for variations in property characteristics. This ensures that the index reflects actual market price movements rather than changes arising from differences in the types of properties available in the market. The base period for the RPPI is 2022 (2022=100) and covers two main residential dwelling categories: apartments which includes flats and duplexes, and stand-alone houses which include maisonettes, bungalows, townhouses, and villas. The RPPI is compiled using the Rolling Window Time Dummy Hedonic (RWTDH) method and residential property asking price data collected from quarterly surveys of real estate agents, developers and property advertisements. The RWTDH models property prices as a function of their characteristics and isolates pure price change.

Figure 1: Overall RPPI, 2023Q1 - 2026Q1



2.0 Overall RPPI and Inflation

In the first quarter of 2026, the overall RPPI was 118.4 compared with 113.0 in the first quarter of 2025 as shown in **Figure 1** and **Table 1**. This resulted in an annual inflation rate of 4.8 per cent. This implies that the average price of residential properties increased by 4.8 per cent between the first quarter of 2025 and the first quarter of 2026. The quarter-on-quarter inflation was 0.6 per cent in the first quarter of 2026.

The index for apartments declined from 91.5 in the first quarter of 2025 to 88.7 in the first quarter of 2026, translating to an annual price contraction of 3.0 per cent while the index for standalone houses increased from 123.2 to 133.6 over the same period, resulting in an annual inflation rate of 8.5 per cent.



4.8%
Annual Inflation Rate from Q1 2025 to Q1 2026

Table 1: Overall RPPI and Inflation, 2023Q1-2026Q1

2022=100	Overall RPPI	% Change on same quarter of previous year ('26 Q1/'25 Q1)	% Change on last quarter ('26 Q1/'25 Q4)
2023Q1	100.3	-0.4	1.8
2023Q2	100.0	-1.9	-0.3
2023Q3	106.4	7.8	6.4
2023Q4	104.9	6.4	-1.4
2024Q1	105.3	4.9	0.3
2024Q2	115.4	15.4	9.6
2024Q3	109.4	2.8	-5.2
2024Q4	112.6	7.3	2.9
2025Q1	113.0	7.3	0.3
2025Q2	117.7	2.0	4.2
2025Q3	118.4	8.2	0.6
2025Q4	117.7	4.5	-0.6
2026Q1	**118.4**	**4.8**	**0.6**



3.0 RPPI and Inflation by Dwelling Type

3.1 Apartments

There was divergence in price movements by type of dwelling. As presented in **Table 2**, the RPPI for apartments decreased from 91.5 in the first quarter of 2025 to 88.7 in the first quarter of 2026, indicating a 3.0 per cent decline in apartment prices over the period. On a quarter-on-quarter basis, apartment prices decreased by 0.2 per cent in the first quarter of 2026 relative to the fourth quarter of 2025.

3.2 Houses

The index for standalone houses increased from 123.2 in the first quarter of 2025 to 133.6 in the first quarter of 2026, resulting in an annual inflation rate of 8.5 per cent. The increase reflects demand in the standalone housing category. On a quarter-on-quarter basis, the index for standalone houses increased from 132.2 in the fourth quarter of 2025 to 133.6 in the first quarter of 2026. This resulted in a quarter-on-quarter inflation of 1.0 per cent over that period as indicated in **Table 3.**

Table 2: RPPI and Inflation for Apartments, 2023Q1 - 2026Q1

2022 =100	Index	% Change on same quarter of previous year ('26 Q1/'25 Q1)	% Change on last quarter ('26 Q1/'25 Q4)
2023Q1	88.3	-13.8	-9.6
2023Q2	98.4	-2.1	11.4
2023Q3	89.6	-9.7	-9.0
2023Q4	91.0	-6.9	1.6
2024Q1	90.9	2.9	-0.1
2024Q2	95.9	-2.6	5.5
2024Q3	93.2	4.0	-2.8
2024Q4	90.0	-1.1	-3.4
2025Q1	91.5	0.7	1.7
2025Q2	91.9	-4.2	0.4
2025Q3	90.6	-2.8	-1.4
2025Q4	88.9	-1.2	-1.8
2026Q1	**88.7**	**-3.0**	**-0.2**

Table 3: RPPI and Inflation for Standalone Houses, 2023Q1 - 2026Q1

2022 =100	Index	% Change on same quarter of previous year ('26 Q1/'25 Q1)	% Change on last quarter ('26 Q1/'25 Q4)
2023Q1	105.8	5.8	6.8
2023Q2	100.7	-1.7	-4.8
2023Q3	114.0	15.7	13.2
2023Q4	111.2	12.4	-2.4
2024Q1	111.9	5.8	0.6
2024Q2	124.6	23.7	11.4
2024Q3	116.9	2.5	-6.2
2024Q4	123.5	11.1	5.7
2025Q1	123.2	10.1	-0.3
2025Q2	130.5	4.7	5.9
2025Q3	132.3	13.2	1.4
2025Q4	132.2	7.0	-0.1
2026Q1	**133.6**	**8.5**	**1.0**

Table 4: RPPI by Stratum, 2023Q1 - 2026Q1

Period	Apartments				Houses			
	Nairobi			Other Regions	Nairobi			Other Regions
	Upper	Middle	Other		Upper	Middle	Other	
2023 Q1	74.8	91.0	96.2	88.2	107.7	111.7	112.4	65.4
2023 Q2	95.8	96.7	107.1	118.8	101.9	96.5	110.4	78.5
2023 Q3	84.4	88.3	100.4	107.5	113.8	105.2	140.2	83.1
2023 Q4	91.3	87.5	104.1	113.6	109.8	110.4	137.8	78.4
2024 Q1	91.5	87.7	100.6	115.0	108.3	120.8	135.2	84.2
2024 Q2	97.7	93.7	99.8	107.6	124.1	137.2	140.4	78.6
2024 Q3	92.2	90.2	109.5	102.5	112.7	149.5	133.3	71.8
2024 Q4	91.8	86.8	100.5	105.7	121.4	144.7	146.2	71.4
2025 Q1	94.6	88.2	103.2	99.4	124.9	118.3	147.9	69.8
2025 Q2	92.5	87.4	109.0	121.4	130.2	125.6	145.2	94.9
2025 Q3	94.6	86.7	104.4	98.0	133.7	124.7	149.7	87.3
2025 Q4	82.6	83.8	127.4	110.1	133.6	141.5	143.5	79.3
2026 Q1	**90.1**	**85.3**	**107.5**	**106.9**	**133.8**	**142.4**	**152.2**	**78.5**

Note: Detailed Methodology Note is available on KNBS website.

4.0 RPPI by Stratum

The RPPI methodology used stratifies the residential property market into eight distinct and homogeneous strata, in which properties share similar characteristics. The two-stage stratification considers type of dwelling and geographical location as shown in **Table 4**.

In the first quarter of 2026, the index for apartments in Nairobi Upper and Nairobi Middle decreased to 90.1 and 85.3 from 94.1 and 88.2 in the first quarter of 2025, respectively. The index for apartments in Nairobi Other and Other Regions increased from 103.2 and 99.4 in first quarter of 2025 to 107.5 and 106.9 in first quarter of 2026, respectively.

With respect to standalone houses, the index for all strata increased during the review period, indicating an increase in prices of standalone houses between the first quarter of 2025 and the first quarter of 2026.

5.0 RPPI Weights

The computation of the RPPI uses flow weights determined from the dataset used in the index compilation. The weights are presented in **Table 5**.

Table 5: Annual Weights for RPPI Computation

Strata	Apartment				House				Total
	Nairobi			Other Regions	Nairobi			Other Regions	
	Upper	Middle	Other*		Upper	Middle	Other*		
2022	6.0	20.4	3.3	1.2	46.7	8.5	9.0	5.1	100.0
2023	5.2	16.3	3.4	4.6	33.9	8.4	11.8	16.3	100.0
2024	4.2	15.7	2.4	5.9	38.4	11.1	8.9	13.5	100.0
2025	4.1	17.8	2.8	2.2	45.6	12.0	10.1	5.3	100.0

* Includes other Nairobi peri-urban areas

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For more information, please contact:
The Diretor General, Kenya National Bureau of Statistics, Real Towers, Hospital Road, Upper Hill,
Address: P.O. Box 30266 - 00100 Nairobi, Kenya. **Telephone:** +254-20-3317583,+254-20-2911000/1,
+254-20-3317612/22/23/51 **Email:** info@knbs.or.ke/directorgeneral@knbs.or.ke, **Website:** www.knbs.or.ke