STATISTICAL RELEASE

Residential Property Price Index (RPPI) and Inflation

QUARTER TWO | 30TH SEPTEMBER 2026





Residential Property Market Records Moderate Price Growth in Q2 2026

The average price of residential properties increased by 2.2 percent between Q2 2025 and Q2 2026, driven by an 3.1 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 change 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 maisonette, 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.

2.0 Overall RPPI and Inflation

In the second quarter of 2026, the overall RPPI was 120.29 compared with 117.73 in the second quarter of 2025 as shown in **Figure 1** and **Table 1**. This resulted in an annual inflation rate of 2.2 per cent in the second quarter of 2026. This implies that on average, prices of residential properties increased by 2.2 per cent between the second quarter of 2025 and the second quarter of 2026. The quarter-on-quarter inflation was 1.6 per cent in the second quarter of 2026. This implies that on average, price of residential properties increased by 1.6 per cent between the first and second quarters of 2026.



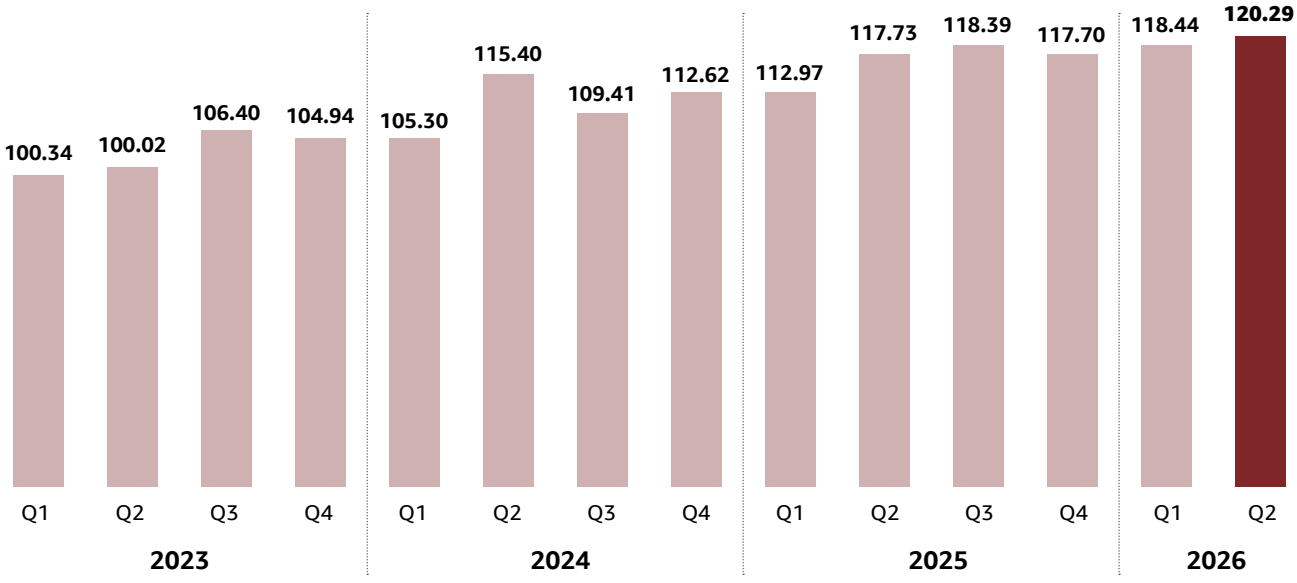
2.2%
Annual Inflation Rate from Q2 2025 to Q2 2026

Table 1: Overall RPPI and Inflation, 2023Q1-2026Q2

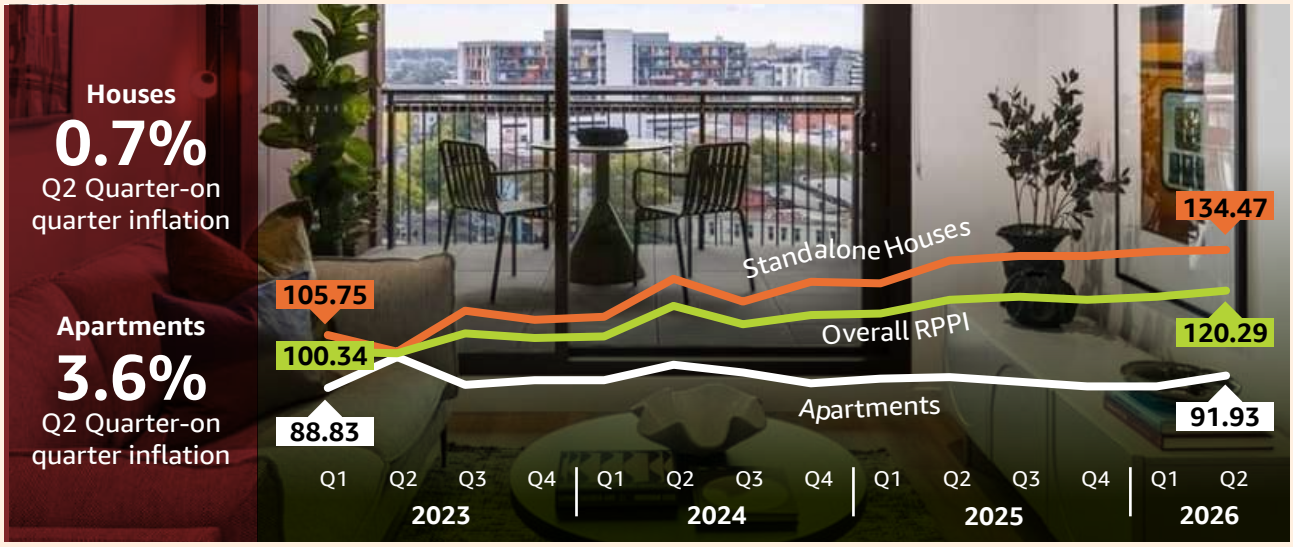
2022=100	Overall RPPI	% Change on same quarter of previous year	% Change on last quarter
2023Q1	100.34	-0.4	1.8
2023Q2	100.02	-1.9	-0.3
2023Q3	106.40	7.8	6.4
2023Q4	104.94	6.4	-1.4
2024Q1	105.30	4.9	0.3
2024Q2	115.40	15.4	9.6
2024Q3	109.41	2.8	-5.2
2024Q4	112.62	7.3	2.9
2025Q1	112.97	7.3	0.3
2025Q2	117.73	2.0	4.2
2025Q3	118.39	8.2	0.6
2025Q4	117.70	4.5	-0.6
2026Q1	118.44	4.8	0.6
2026Q2	**120.29**	**2.2**	**1.6**

Source: KNBS

Figure 1: Overall RPPI, 2023Q1 - 2026Q2



Source: KNBS



3.0 RPPI and Inflation by Dwelling Type

3.1 Apartments

As presented in **Table 2**, the RPPI for apartments was 91.93 in the second quarter of 2026, resulting into a 0.1 per cent increase in apartment prices over the review period. On a quarter-on-quarter basis, apartment prices rose by 3.6 per cent in the second quarter of 2026 relative to the first quarter of 2026.

3.2 Houses

The index for standalone houses increased from 130.49 in the second quarter of 2025 to 134.47 in the second quarter of 2026, resulting in an annual inflation rate of 3.1 per cent, reflecting demand in the standalone housing category. On a quarter-on-quarter basis, the index for standalone houses increased from 133.57 in the first quarter of 2026 to 134.47 in the second quarter of 2026. This resulted in a quarter-on-quarter inflation of 0.7 per cent over that period as indicated in **Table 3.**

Table 2: RPPI and Inflation for Apartments, 2023Q1 - 2026Q2

2022 =100	Index	% Change on same quarter of previous year	% Change on last quarter
2023Q1	88.33	-13.8	-9.6
2023Q2	98.44	-2.1	11.4
2023Q3	89.57	-9.7	-9.0
2023Q4	90.98	-6.9	1.6
2024Q1	90.86	2.9	-0.1
2024Q2	95.88	-2.6	5.5
2024Q3	93.16	4.0	-2.8
2024Q4	89.98	-1.1	-3.4
2025Q1	91.51	0.7	1.7
2025Q2	91.88	-4.2	0.4
2025Q3	90.58	-2.8	-1.4
2025Q4	88.92	-1.2	-1.8
2026Q1	88.72	-3.0	-0.2
2026Q2	**91.93**	**0.1**	**3.6**

Source: KNBS

Table 3: RPPI and Inflation for Standalone Houses, 2023Q1 - 2026Q2

2022 =100	Index	% Change on same quarter of previous year	% Change on last quarter
2023Q1	105.75	5.8	6.8
2023Q2	100.73	-1.7	-4.8
2023Q3	113.99	15.7	13.2
2023Q4	111.23	12.4	-2.4
2024Q1	111.85	5.8	0.6
2024Q2	124.60	23.7	11.4
2024Q3	116.89	2.5	-6.2
2024Q4	123.55	11.1	5.7
2025Q1	123.16	10.1	-0.3
2025Q2	130.49	4.7	5.9
2025Q3	132.32	13.2	1.4
2025Q4	132.25	7.0	-0.1
2026Q1	133.57	8.5	1.0
2026Q2	**134.47**	**3.1**	**0.7**

Source: KNBS

Table 4: RPPI by Stratum, 2023Q1 - 2026Q2

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
2026 Q2	**96.9**	**86.4**	**119.4**	**111.6**	**136.0**	**125.2**	**164.9**	**79.7**

Note: Detailed methodology note is available on KNBS website.

Source: KNBS

4.0 RPPI by Stratum

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

In the second quarter of 2026, the index for apartments in Nairobi Upper and Nairobi Other strata increased to 96.9 and 119.4, from 92.5 and 109.0 in the second quarter of 2025, respectively. On the other hand, the index for apartments in Nairobi Middle and Other Regions strata decreased from 87.4 and 121.4 in second quarter of 2025, to 86.4 and 111.6 in second quarter of 2026, respectively. The decrease in the indices reflects easing in prices of apartments in these strata.

With respect to standalone houses, the index for Nairobi Upper and Nairobi Other strata increased from 130.2 and 145.2 in the second quarter of 2025, to 136.0 and 164.9 in the second quarter of 2026, indicating increase in prices of standalone houses over the review period. Nairobi Middle and Other Regions strata recorded easing in prices for standalone houses between the second quarter of 2025 and the second 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	4.0	19.8	4.7	2.2	43.8	10.2	10.0	5.3	100.0

* Includes other Nairobi peri-urban areas

Source: KNBS

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