



# Spatial Market Expansion and Real Estate Investment Performance in Nairobi County, Kenya

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## Abstract

Nairobi County's real estate sector is undergoing rapid transformation driven by urbanisation within a highly transitional metropolitan environment characterised by core congestion, escalating land prices in areas such as Kilimani and Upper Hill, and increasing reliance on diaspora remittances and external capital inflows. This expansion reflects a shift in spatial development patterns, where infrastructural decentralisation toward satellite towns, diversification of property products, and intensified investor entry are reshaping investment dynamics. This study sought to find out the influence of market expansion on real estate investment performance in Nairobi County, Kenya. This study adopted an embedded mixed-methods research design. The target population comprised 129 real estate investment firms in Nairobi County, from which 247 respondents were selected using stratified random sampling, alongside 30 purposively selected key informants. Data were collected using structured questionnaires and interviews. Quantitative data were analysed using descriptive and inferential analysis, while qualitative data were analysed using content analysis. . The study findings reveal that property market expansion has a significant positive influence on real estate investment performance in Nairobi County ( $R^2 = 0.553$ ;  $B = 1.158$ ;  $p < 0.01$ ). Descriptive results further show strong agreement among respondents that key dimensions of market expansion, including investor participation, increased real estate supply, economic growth, and population dynamics, are actively driving the property market. These forces manifest physically through spatial outward growth into peri-urban zones, densification of the urban core, infrastructure-driven connectivity improvements, and product diversification into affordable housing, gated communities, and mixed-use developments. The study concludes that property market expansion significantly enhances real estate investment performance in Nairobi County. Increased investor participation, expanding property supply, and strong economic and population growth contribute to rising property values and greater investment activity. The study recommends that effective planning, regulatory oversight, and balanced housing supply are necessary to ensure sustainable real estate investment performance in Nairobi County.

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## Introduction

Real estate markets globally have experienced significant expansion driven by economic growth, urbanisation, and increased capital flows, with total investment turnover projected to exceed \$1



trillion by 2026 (Savills, 2025). This expansion reflects growing investor confidence and evolving market dynamics, with different regions exhibiting distinct growth patterns. For instance, emerging markets such as India have experienced increased institutional investment, while developed markets demonstrate resilience through high-value property transactions, particularly in luxury segments (Mukherji, 2026; Clarke, 2026). These trends underscore the critical role of property market expansion in shaping real estate investment performance by driving capital appreciation and increasing transaction activity.

In Kenya, the property market has shown steady expansion, recording growth of approximately 5.6% in early 2025, driven by rapid urbanisation, infrastructure development, and rising housing demand (Willstone Homes, 2025). Expansion into satellite towns such as Ruiru, Athi River, and Kitengela, alongside increased investment in mixed-use developments, reflects the market's spatial growth. This expansion has contributed to improved real estate investment performance, with reported average annual returns of about 13.3% from combined rental income and capital gains, supported by diaspora investment and sustained housing demand (Serrari Group, 2025). In the context of Nairobi County, this expansion is not confined to the urban core but has progressively extended into the metropolitan fringe, where satellite towns such as Ruiru, Athi River, and Kitengela have emerged as spillover zones accommodating excess demand from the capital city. While this spatial expansion has created new investment opportunities and enhanced property values, concerns have emerged regarding uncoordinated horizontal growth into peri-urban areas, weak enforcement of zoning regulations, and inadequate infrastructure provision, which may distort property pricing, increase market inefficiencies, and create uncertainty in long-term investment returns within Nairobi's real estate sector (Kaya & Şahin, 2025).

Market expansion in real estate refers to growth in investment activity and development within the property market, driven by increased investor participation, expanded real estate supply, and supportive economic and demographic conditions (Chambers et al., 2021). Rising participation from institutional investors, private developers, and individuals enhances demand and market diversity, as observed in Nairobi through the emergence of real estate investment and diaspora investments (Ling et al., 2021). This increased demand stimulates property development, leading to a broader range of residential, commercial, and industrial assets, although imbalances between supply and demand may result in vacancies or price stagnation (Bogin et al., 2019). Additionally, macroeconomic growth, urbanisation, and population expansion accelerate market growth by sustaining demand for real estate, particularly in rapidly urbanising cities such as Nairobi (Fan & Zhou, 2019; Ganduri et al., 2023). Consequently, market expansion is better understood as a dual-force mechanism encompassing both demand-side drivers (such as population growth, income growth, and investor participation) and supply-side responses (including increased property development and expansion of housing stock), which together shape property development and price dynamics in the real estate sector.

Property market expansion directly influences real estate investment performance by affecting asset values, liquidity, and investor expectations. As markets grow, increased demand and transaction volumes typically lead to rising property prices and improved liquidity, thereby enhancing capital appreciation and reducing risks for investors. Empirical evidence indicates that expanding housing markets are key transmission channels through which supply and demand dynamics affect investment outcomes, with price increases positively affecting investor returns via wealth effects and improved collateral valuation (Zhao & Liu, 2023). Similarly, rising property values in expanding markets tend to attract more investors, further reinforcing demand and enhancing short- to medium-term performance (Hu, 2025).

However, the relationship between market expansion and investment performance is not always linear. While expansion can drive higher returns, rapid and uncontrolled growth may introduce risks



such as price volatility and market corrections, particularly when expansion is fuelled by excessive credit or speculative activity (Xie et al., 2024). In such cases, downturns following rapid growth can erode capital gains and negatively affect investment performance. Conversely, stable and well-regulated expansion, supported by sound macroeconomic conditions and effective policy frameworks, contributes to sustained real estate performance by maintaining market balance and investor confidence (Zhao & Liu, 2023).

**Method**

This study adopted a pragmatic research philosophy and an embedded mixed-methods research design, integrating both quantitative and qualitative approaches, with the quantitative strand being dominant. The study was conducted in Nairobi County, Kenya, because it hosts the largest concentration of real estate investment activities in the country, accounting for a significant proportion of residential, commercial, and mixed-use property developments. Further, Nairobi's rapid urbanisation, population growth, infrastructure expansion, and vibrant property market make it an appropriate setting for examining the relationship between market expansion and real estate investment performance.

The target population comprised 645 experts in the real estate industry in various positions, including managers, analysts, investment officers, and related experts, working within the 129 registered real estate investment firms in Nairobi County, as listed by the Kenya Property Developers Association. The sample size, 247 (Table 1), was determined using the Yamane (1967) formula at a 95% confidence level and 5% margin of error as follows:

$$n = 1 + \frac{N}{(1 + Ne^2)}$$

where:

n = sample size

N = population size (645)

e = acceptable margin of error (0.05)

$$n = \frac{645}{1 + [645 \times (0.05 \times 0.05)]}$$

n = 247

*Table 1: Sample Size*

Designation	Population	Sample size
<i>Real Estate Investors &amp; Developers</i>	129	50
<i>Real Estate Agents</i>	129	50
<i>Financial Analysts</i>	129	49
<i>Property valuation Experts</i>	129	49
<i>Property Sales Agents</i>	129	49
<b>Total</b>	<b>645</b>	<b>247</b>

The study employed stratified random sampling, whereby the population was divided into the five strata corresponding to the professional designations and proportionate random sampling was applied within each stratum to obtain 50 Real Estate Investors & Developers, 50 Real Estate Agents, 49 Financial Analysts, 49 Property Valuation Experts, and 49 Property Sales Agents, ensuring balanced representation across functional roles. A total of 247 questionnaires were administered; 215 were completed and returned (87.0% response rate) and deemed adequate for analysis.

In addition, 30 key informants were purposively selected to provide qualitative insights, a number justified by data saturation principles supported by the qualitative research literature. Data were



collected between June and August 2025, using structured questionnaires and semi-structured interviews. All variables were measured using 5-point Likert-scale items and converted into composite mean indices, and pilot testing involved 25 professionals (10% of the study population) drawn from 13 firms in Nairobi County. Consistent with Kunselman (2024), the pilot sample size of 25 professionals was appropriate, as pilot studies are not powered for statistical inference but are intended to assess feasibility and refine research instruments prior to the main study.

Ethical approval was obtained from the USIU-Africa Institutional Review Board, NACOSTI, and relevant authorities, with informed consent and confidentiality strictly observed. The reliability of the questionnaire was confirmed using Cronbach's alpha coefficients exceeding the acceptable threshold of 0.70. Semi-structured interviews were conducted face-to-face with key informants, with each session lasting 30-45 minutes. The interviews explored perceptions regarding market expansion trends, investment opportunities, pricing dynamics, and regulatory challenges.

Quantitative data were analysed using the Statistical Package for Social Sciences (SPSS) Version 30. Descriptive statistics, including means and standard deviations, were used to summarise the data, while inferential statistics, comprising Pearson correlation analysis, linear regression analysis, ANOVA, and regression coefficient analysis, were employed to examine the relationship between market expansion and real estate investment performance. Qualitative data were analysed using thematic content analysis with the assistance of NVivo software. Interview recordings were transcribed verbatim, systematically coded, and grouped into categories and themes reflecting recurring patterns and viewpoints. The qualitative findings were then integrated with the quantitative results to provide a comprehensive understanding of the phenomenon under investigation, with the qualitative data corroborating the statistical results by offering contextual explanations for the observed relationships.

## Results

### *Respondents' Demographic and Professional Characteristics*

The study sample comprised a balanced gender distribution, with 53% male and 47% female participants, suggesting inclusivity and gender diversity within Nairobi's real estate investment workforce. In terms of educational background, most respondents (48.3%) held an undergraduate degree, followed by 27% with a master's degree and 24.7% with a diploma. This indicates that most professionals in the sector possess at least a tertiary-level education, reflecting a reasonably well-educated workforce capable of engaging with technical, financial, and investment matters. Regarding job positions, the highest proportion was property valuation experts (23.7%), followed by real estate investors (21.4%), property sales agents (20%), financial analysts (18.6%), and real estate agents (16.3%). This diverse representation ensures that insights into liquidity and pricing dynamics were drawn from varied perspectives across the real estate value chain. On the type of real estate organisation, development firms accounted for the largest share of respondents at 37.2%, followed by agencies (34.9%), and Investment Trusts at 27.9%. This distribution reflects the dominance of property development activities in Nairobi's real estate ecosystem. Work experience data show that 30.2% of respondents had 0-5 years of experience, while 25.1% had 6-10 years, 23.3% had 11-15 years, and 21.4% had more than 15 years. This suggests a balanced mix of early-career and seasoned professionals, enriching the study with both fresh and deeply experienced perspectives.



Table 2: Respondents' Demographic and Professional Characteristics (n = 215)

Variable	Indicator	Frequency	Percentage
Gender	Male	114	53%
	Female	101	47%
Education	Diploma	53	24.70%
	Undergraduate Degree	104	48.30%
	Master's Degree	58	27%
Job Position	Real Estate Investor	46	21.40%
	Real Estate Agent	35	16.30%
	Financial Analyst	40	18.60%
	Property Valuation Expert	51	23.70%
	Property Sales Agent	43	20%
Types of Real Estate	Investment Trust	60	27.90%
	Agency	75	34.90%
	Development firm	80	37.20%
Years of Experience	11-15 Years	50	23.30%
	6-10 Years	54	25.10%
	Above 15 Years	46	21.40%
	0-5 Years	65	30.20%

*Descriptive Analysis*

*Market Expansion*

The descriptive findings indicate a strong agreement among respondents that market expansion is a significant feature of Nairobi's real estate sector. All three dimensions of market expansion, investor participation, increase in real estate supply, and economic growth and population dynamics recorded high composite mean scores (4.00), suggesting that respondents generally agree with the statements, while relatively low standard deviations (0.80–0.85) indicate low variability and consistency in responses. For investor participation, the composite mean of 4.00 (SD = 0.81) suggests that respondents perceive investor activity as a key driver of market expansion. High mean scores for statements relating to increased market activity (M = 3.94), international investor presence (M = 4.04), and the negative impact of low participation (M = 4.00) indicate a strong consensus that investor involvement significantly influences property market dynamics in Nairobi.

Regarding the increase in real estate supply, the composite mean of 4.00 (SD = 0.81) reflects agreement that property development is expanding. Respondents acknowledge growth in new developments (M = 4.08), property listings (M = 3.97), and overall supply (M = 3.94), suggesting that the market is experiencing active construction and increased availability of real estate assets. This supports the notion of a broadening property market. For economic growth and population dynamics, the highest composite mean of 4.02 (SD = 0.85) indicates that respondents strongly associate macroeconomic and demographic factors with market expansion. Economic growth (M = 4.10), population increase (M = 3.97), and urbanisation (M = 4.00) are all perceived as key drivers of housing demand, reinforcing their role in sustaining real estate market growth.

The results demonstrate that market expansion in Nairobi County is widely perceived to be driven by increased investor participation, growing real estate supply, and strong economic and demographic fundamentals. The consistency in responses suggests a shared understanding among respondents that these factors collectively contribute to the expansion of the property market.

*Real Estate Investment Performance*

The descriptive findings indicate that respondents generally agree that real estate investment performance in Nairobi County is strong and improving, as evidenced by composite mean scores of approximately 4.00 across all indicators and relatively low standard deviations (0.78–0.84), suggesting a reasonable level of consensus. For rental yields, the composite mean of 4.00 (SD = 0.83) reflects



agreement that rental performance is stable and improving. Respondents agreed in particular that rental income is increasing (M = 4.05, SD = 0.84) and that strong rental demand supports yields (M = 3.98, SD = 0.80). The agreement with the statement on weak demand reducing yields (M = 3.97, SD = 0.84) further reinforces the sensitivity of rental performance to demand conditions.

Regarding transaction volume, the composite mean of 4.01 (SD = 0.80) indicates that the property market is perceived as active, with increasing transaction volumes and frequent property sales. This suggests a relatively liquid market environment, which supports investment performance by facilitating the buying and selling of property assets. For capital appreciation, the composite mean of 4.01 (SD = 0.82) shows that respondents generally agree that property values are increasing over time. The highest mean in this category (M = 4.15, SD = 0.80) indicates strong agreement that property values have appreciated over the past five years, highlighting positive long-term investment returns. However, slightly lower means for current value levels (M = 3.93–3.96) suggest some variability in perceptions regarding present market pricing.

The results imply that real estate investment performance in Nairobi County is perceived as favourable, characterised by stable rental yields, active transaction volumes, and sustained capital appreciation, collectively indicating a relatively robust and attractive investment environment.

*Table 3: Real Estate Investment Performance*

<b>Real Estate Investment Performance</b>	<b>Mean</b>	<b>Std. Dev</b>
<b>Rental Yields</b>		
Strong rental demand supports stable rental yields in Nairobi.	3.98	0.8
Rental income from properties is increasing.	4.05	0.84
Weak rental demand reduces rental yields in Nairobi.	3.97	0.84
<b>Composite Mean</b>	<b>4.00</b>	<b>0.83</b>
<b>Transaction Volume</b>		
Property transaction volumes are increasing.	4.02	0.79
Property sales occur frequently.	4	0.82
The property market has high sales activity.	4.02	0.78
<b>Composite Mean</b>	<b>4.01</b>	<b>0.80</b>
<b>Capital Appreciation</b>		
Property values are increasing.	3.93	0.82
Property values have appreciated over the past five years.	4.15	0.8
Property values are high.	3.96	0.83
<b>Composite Mean</b>	<b>4.01</b>	<b>0.82</b>

*Note:* n = 215 respondents. Responses were measured on a five-point Likert scale where 1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, and 5 = Strongly Agree.

**Inferential Analysis**

*Correlation between Market Expansion and Real Estate Investment Performance*

The correlation analysis results in Table 4 reveal a positive relationship between property market expansion and real estate investment performance (r = 0.744; p < 0.01), indicating a significant association. This implies that, as the property market expands, real estate investment performance increases.

*Table 4: Correlation between Market Expansion and Real Estate Investment Performance*

		<b>Real Estate Investment Performance</b>	<b>Market Expansion</b>
Property Prices	Pearson Correlation	1	.744**
	Sig. (2-tailed)		0
Market Expansion	Pearson Correlation	.744**	1
	Sig. (2-tailed)	0	

\*\* Correlation is significant at the 0.01 level (2-tailed).



*Regression on Market Expansion and Real Estate Investment Performance*

The regression model summary in Table 5 indicated that market expansion is a significant predictor of the real estate investment performance, with a strong relationship between the two. The R-squared value of 0.553 indicates that approximately 55.3% of the variation in real estate investment performance is explained by market expansion. The remaining variation in real estate investment performance is explained by factors outside this study’s model.

*Table 5: Model Summary on Market Expansion and Real Estate Investment Performance*

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.744a	0.553	0.551	0.25437

Predictors: (Constant), Market Expansion

The ANOVA results in Table 6 provide evidence of a significant relationship between market expansion and real estate investment performance. The F-value of 263.51 with a p-value of 0.000 indicates that the regression model is statistically significant at the 0.01 level. This means that market expansion significantly helps explain variations in real estate investment performance.

*Table 6: ANOVA on Market Expansion and Real Estate Investment Performance*

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	17.051	1	17.051	263.51	.000b
	Residual	13.782	213	0.065		
	Total	30.833	214			

a Dependent Variable: Real Estate Investment Performance

b Predictors: (Constant), Market Expansion

The regression coefficients in Table 7 provide insights into the relationship between market expansion and real estate investment performance. The unstandardised coefficient for market expansion is 1.158, which means that for each one-unit increase in market expansion, real estate investment performance is expected to increase by 1.158 units, holding other factors constant. The equation drawn from the model is represented as:

$$Real\ Estate\ Investment\ Performance = .0647 + 1.158(Market\ Expansion)$$

The t-test was used to test the study hypothesis, which was stated as:

H<sub>02</sub>: Market expansion does not significantly affect real estate investment performance in Nairobi County, Kenya.

The t-value for market expansion is 16.233, and the p-value is 0.000, providing enough evidence to reject the null hypothesis and conclude that market expansion has a significant effect on real estate investment performance in Nairobi County.

*Table 7: Coefficients on Market Expansion and Real Estate Investment Performance*

Model		Unstandardised Coefficients		Standardised Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.647	0.287		2.254	0.025
	Market Expansion	1.158	0.071	0.744	16.233	.000

a Dependent Variable: Real Estate Investment Performance

In an in-depth discussion with key informants from the real estate industry, a dominant theme across all participants is the expansion of the property market into peri-urban areas. Multiple respondents



cited tangible effects of the expansion on land prices. Participant 1 stated: “REI... has expanded Nairobi’s market into peri-urban areas like Ruiru and Kitengela, where land prices rose.” Participant 2 echoed this with: “real estate democratises investment access, drawing capital into emerging zones like Ruaka and Ngong, where land prices rose.” Participant 6 confirmed similar effects: “A 1/8-acre plot in Kitengela that cost Ksh 1.2M in 2019 now sells for Ksh 2.5M after real estate investments funded infrastructure like tarmac roads.”

Market expansion is actively shifting investment focus from central business districts to previously underserved peri-urban areas. Participants consistently highlighted duality in supply dynamics, oversupply in luxury segments and under-provision in middle-income housing. Participant 3 observed: “Luxury developments in Karen and Runda... have oversupplied the high-end market, leading to price corrections.” Participant 4 noted: “Demand in Nairobi’s middle-income segment remains unmet... keeping residential prices elevated.” Participant 5 proposed planning solutions: “Planners advocate for inclusionary zoning, mandating 20% affordable units in real estate projects... to mitigate price disparities.” While investment has expanded, it is skewed toward high-end development, exacerbating affordability gaps and sustaining upward pressure on mid-range property prices.

All participants pointed to the role of technology in improving price discovery and market efficiency, although concerns remain regarding overvaluation and speculative distortions. Participant 2 stated: “Technology platforms like BuyRentKenya enhance price transparency, reducing suburban valuation gaps.” Participant 3 noted benefits and risks: “AI-driven appraisals reduced valuation disputes... but algorithmic overvaluations... require manual checks.” Participant 6 shared a practical example: “A client in Kileleshwa recently paid 10% above asking price after seeing a virtual staging...” Evidently, technology was widely acknowledged as a tool for standardising prices and accelerating transactions, yet it also introduces new risks such as price inflation through algorithmic bidding or digital overvaluation.

Further, participants emphasised the importance of regulatory frameworks in guiding sustainable growth. Participant 1 highlighted CMA oversight: “The CMA enforces investor quotas to ensure domestic participation... incentivising mixed-income projects.” Participant 5 added a planning perspective: “This underscores the need to enforce the Nairobi Integrated Urban Development Plan (NIUPLAN)... to ensure sustainable land use.” Institutions like the CMA and urban planners play a critical role in balancing investor-driven expansion with affordability, sustainability, and spatial planning goals.

Market expansion via property investments has significantly influenced property pricing patterns in Nairobi County. While investments have broadened geographic reach and improved transaction infrastructure, challenges persist around affordability, supply balance, and speculative risks. As one participant summarised, “This expansion has fuelled mixed-use developments... redistricting demand and price dynamics.”

## **Discussion**

The findings suggest that property market expansion plays a crucial role in enhancing real estate investment performance in Nairobi County. As the property market expands, investment performance increases, attracting both local and international investors and stimulating development activity. The expansion of investment activities contributes to increased market liquidity, improved accessibility to property investments, and greater prospects for long-term capital appreciation. These findings support existing empirical literature, which identifies market expansion as a key driver of capital appreciation and rental income growth, particularly in rapidly urbanising economies (Malpezzi, 2018; Burchfield et al., 2020).



The study further demonstrates that investor participation is a critical component of market expansion. Investor participation increases real estate supply and economic and population growth.

This aligns with studies such as Glaeser (2011), which emphasise that increased investor participation enhances market activity, liquidity, and price formation, thereby improving investment performance. However, consistent with critical literature, increased investor participation, particularly from international investors, may exert upward pressure on property prices, potentially reducing affordability and increasing market volatility in the long run.

The study further establishes that the increase in real estate supply is a key dimension of market expansion. Respondents agreed that property development and listings are rising in Nairobi, reflecting a growing and diversifying property market. This supports theoretical expectations that expansion stimulates development activity and broadens investment opportunities. However, the findings also resonate with empirical evidence (Sarkar & Reddy, 2021), indicating that supply growth does not always produce uniform performance outcomes. In Nairobi, qualitative insights suggest supply imbalances, particularly an oversupply of high-end residential units alongside a persistent shortage of affordable housing. This imbalance contributes to segmented market performance, where premium properties may experience slower price growth due to saturation, while middle-income segments sustain stronger demand and rental yields.

Economic growth and population dynamics were also identified as significant drivers of market expansion and performance. The high mean scores for these variables indicate that respondents strongly associate urbanisation, population growth, and economic development with increased demand for real estate. These findings are consistent with macro-level studies (Da Silva et al., 2021; Cohen & Feldman, 2018), which demonstrate that demographic and economic expansion are fundamental to sustained real estate returns. In Nairobi, rapid urbanisation and population inflow continue to drive demand for housing and commercial space, thereby supporting rental income and capital appreciation.

Despite the overall positive relationship, the findings highlight that the impact of market expansion on investment performance is not uniform. Qualitative evidence points to spatial disparities, with significant growth observed in peri-urban areas such as Ruiru, Kitengela, and Ruaka, where infrastructure development and accessibility improvements have enhanced property values. This supports urban economic theories that link infrastructure expansion to increased land productivity and investment performance (Burchfield et al., 2020). However, the uneven distribution of development and investment across locations suggests that market expansion may lead to differentiated performance outcomes across sub-markets.

Furthermore, the study identifies emerging structural and technological factors shaping the relationship between market expansion and performance. The adoption of property technology platforms has improved market transparency and transaction efficiency, thereby enhancing investment performance. However, there is also concern that increased reliance on digital valuation tools may contribute to speculative pricing and short-term volatility, a finding consistent with recent prop-tech literature (Van Dijk et al., 2022).

### **Conclusion**

Findings led to the conclusion that property market expansion significantly enhances real estate investment performance in Nairobi County. It was also observed that increased investor participation, expanding property supply, and strong economic and population growth contribute to rising property values and greater investment activity. The results confirm that market expansion accounts for a substantial proportion of the variation in real estate performance, thereby supporting and extending existing real estate market equilibrium and urban growth models, which posit that



simultaneous demand-side pressures and supply-side responses jointly determine asset valuation and investment returns. From a broader market-mechanics perspective, the findings reinforce the argument that supply-side expansions, particularly in housing stock and spatial development, interact with demand pressures to reprice assets upward in high-demand segments, especially where supply does not fully meet income-driven housing demand.

Market expansion has therefore driven investment into peri-urban areas, leading to notable price appreciation. It was also evident that structural imbalances in the market, particularly the oversupply of luxury housing and the persistent shortage of middle-income housing, continue to sustain upward pressure on mid-tier property prices. This pattern is consistent with qualitative evidence from key informant interviews, which highlighted a dual-market structure where high-end segments experience oversupply in areas such as Karen and Runda, while middle-income demand remains unmet, thereby reinforcing sustained price pressure in mid-tier locations. The evidence suggests that while market expansion strengthens investment opportunities and stimulates property market growth, effective planning, regulatory oversight, and balanced housing supply are necessary to ensure sustainable real estate investment performance in Nairobi County. Qualitative evidence further reinforces these findings by showing that expansion is spatially uneven, with pronounced growth in peri-urban nodes such as Ruiru, Kitengela, and Ruaka driven by infrastructure development and improved accessibility. It also highlights the dual role of technology in enhancing price transparency and efficiency while potentially contributing to speculative pricing and valuation distortions.

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