Cytonn Annual Markets Review – 2019

Real Estate

In 2019, the real estate sector grew by 4.8% on average in the first three quarters, 0.3% points higher than the growth rate recorded over the same period in 2018, as per the Kenya National Bureau of Statistics (KNBS) Quarterly Gross Domestic Product Report Q3'2019. In line with this, the sector also registered a 20.3% increase in the value of buildings approved for the first nine months of the year to Kshs 121.3 bn, from Kshs 100.8 bn similar period of review in 2018, indicating the sector's improvement during the year. The growth is attributable to (i) enhanced infrastructure, which continues to boost Nairobi's positioning as a regional hub, and thus, attracted foreign investment, (ii) the huge housing deficit and the support accorded by the National Government to developers and buyers, in a bid to address the shortage, and (iii) stable economic expansion with the country's GDP growing by 5.6% in 2018, in comparison to the five year average of 5.4%.

However, the sector also continued to face certain constraints, mainly in the form of (i) oversupply in the commercial office and retail sectors, with a surplus of 5.2 mn SQFT and 2.0 mn SQFT, respectively, (ii) Insufficient access to financing and high financing cost for both developers and off-takers amidst slow private sector credit growth before the interest rate cap law was repealed, and (iii) delays in processing of construction permits by some County Governments, namely, Nairobi, Kisumu, Kiambu, and Mombasa.

In terms of performance, commercial office, retail, residential, mixed-use developments and serviced apartments sectors registered average rental yields of 7.5%, 7.8%, 5.0%, 7.3%, and 7.6%, respectively, resulting to an average rental yield for the real estate market of 7.0%, 0.4% points lower compared to 7.4% recorded in 2018. Therefore, with a capital appreciation for existing properties at 2.0%, average total returns came in at 9.0%, a 2.2% points decline from 11.2% recorded in 2018. We attribute this to a decline in demand for property evidenced by the 3.4% points decline in the residential sector annual uptake, and the registered glut in office and retail spaces of 5.2 mn SQFT and 2.0 mn SQFT, respectively. However, it is important to note that development returns for investment grade real estate are still estimated to be approximately 20.0% to 25.0% p.a.

Annual Real Estate Returns Summary Table, for Existing Properties

	2017	**2018**	**2019**	**Y/Y Change (% Points)**
Average Rental Yield	7.6%	7.4%	7.0%	(0.4%)
Average Capital Appreciation	6.5%	3.8%	2.0%	(1.8%)
Total	**14.1%**	**11.2%**	**9.0%**	**(2.2%)**

Annual Real Estate Returns Summary Table, for Existing Properties

	2017	2018	2019	Y/Y Change (% Points)

• In 2019, average rental yields in the real estate sector came in at 7.0% whereas annual capital appreciation for existing properties came in at 2.0%. Thus, average total returns to investors came in at 9.0%, a 2.2% points decline from 11.2% recorded in 2018. We attribute this to a decline in demand for property evidenced by the 3.4% point decline in the residential sector annual uptake, and the registered glut in office and retail spaces of 5.2 mn SQFT and 2.0 mn SQFT, respectively

Source: Cytonn Research 2019

For the detailed real estate market review report, see our Real Estate Annual Markets Review 2019 Note.

I. Residential Sector

The residential market recorded a 3.4% drop in annual uptake, as more individuals continued to opt to rent amidst tough economic times. Average occupancy rates increased by 4.7% points, resulting in a 0.3% increase in average rental yields.

Residential Annual Performance Summary 2016-2019

	2016	2017	2018	2019	Y/Y Change (% Points)
Annual Uptake	25.5%	26.3%	22.8%	19.4%	(3.4%)
Occupancy	83.2%	84.0%	81.0%	85.7%	4.7%
Rental Yield	4.9%	5.2%	4.7%	5.0%	0.3%
Price Appreciation	7.9%	5.1%	4.2%	1.1%	(3.1%)
Total Returns	12.9%	10.3%	8.9%	6.1%	(2.8%)

• The sector recorded an improvement in rental yields by 0.2% points to 5.0% up from 2018's 4.7%. this is attributable to the 4.7% increase in occupancy rates to an average of 85.7% in comparison to 2018's 81.0% as more individuals continued to opt for rental properties amidst heightened need for affordable products in the market

Source: Cytonn Research 2019

Apartments performed better with average total returns to investors of 6.8% compared to detached units with 5.3%. Apartments also recorded relatively high demand registering average annual uptake and occupancy rates of 20.2% and 88.7%, in comparison to the residential market averages of 19.4% and 85.7%, respectively. This is as apartments remain more affordable to homebuyers with an average price per SQM of Kshs 97,675 in comparison to detached units with Kshs 141,968 per SQM.

Overall, lower mid-end detached units recorded the highest average price appreciation in the market at 2.0%, in comparison to the residential market average of 1.2%. Satellite Towns such as Athi River, Ruaka and Ruiru continue to attract homebuyers owing to improvement in infrastructure and provision of social amenities while still remaining affordable to majority of Kenya’s lower middle class, thus, giving them a competitive edge in comparison to suburbs.

(All Values in Kshs Unless Stated Otherwise)

Residential Market Performance Summary 2019

Segment	Average Price per SQM	Average Rent per SQM	Average Annual Uptake	Average Occupancy	Average Rental Yield	Average Price Appreciation	Annual Total Returns
Detached Units							
High-End	185,673	689	19.0%	80.0%	4.1%	0.5%	**4.6%**
Upper Mid-End	156,090	646	20.6%	80.9%	4.2%	0.6%	**4.8%**
Satellite Towns	84,142	347	18.4%	86.8%	4.5%	2.1%	**6.6%**
Average	**141,968**	**561**	**18.7%**	**82.6%**	**4.3%**	**1.1%**	**5.3%**
Apartments							
Upper Mid-End	119,535	630	21.1%	88.2%	5.4%	0.8%	**6.1%**
Lower Mid-End	95,541	548	20.0%	88.9%	6.0%	1.8%	**7.8%**
Satellite Towns	77,949	401	19.6%	89.1%	5.5%	1.0%	**6.5%**
Average	**97,675**	**526**	**20.2%**	**88.7%**	**5.6%**	**1.2%**	**6.8%**
Residential Market Average	**119,822**	**544**	**19.4%**	**85.7%**	**5.0%**	**1.1%**	**6.1%**

• Average annual total returns came in at 6.1%, 2.8% points lower than 8.9% recorded similar period in 2018. This is largely attributable to the sluggish growth in house prices owing to decline in effective demand amidst a tough financial environment during the year. Consequently, rental yields improved by 0.3% to 5.0% in comparison to the 4.7% recorded in 2018, as more individuals opted for rental properties

Cytonn Research 2019

Investors continued to cash in on the sector with some of the notable projects launched during the period including United Nations' Habitat Heights in Mavoko, Cytonn's Applewood in Karen, and Centum's Riverbank and Cascadia apartment projects along Limuru Road. The government's Affordable Housing Programme also gained momentum with the first project being completed in September in Ngara and several other launched in Nairobi, Nakuru and Nyeri Counties. The government introduced a raft of measures which we expect will have a net positive impact on the sector including: (i) exemption of stamp duty for the transfer of a house constructed under the affordable housing scheme, (ii) inclusion of unit trust fund managers as registered home ownership savings plan, and (iii) VAT exemption – with terms and conditions applicable - on construction materials for affordable housing developers.

We expect the residential market to pick up in 2019, with better performance particularly in the mid and low mid end segments as investor appetite for the same continues, enabled by the continued government support in form of incentives to developers and buyers. Key opportunities remain in lower middle areas such as Thindigua/Ridgeways, Athi River, as well as upper middle areas such as Runda Mumwe owing to relatively high returns of 8.2%, 7.6%, and 7.6%, respectively in comparison to the overall residential market average of 6.1%. We also expect a turn-around in 2020 in terms of market uptake and transaction volumes following the repeal of the interest rate cap law, which had led to a drastic drop in private sector credit growth affecting buyer demand and developer activity.

II. Commercial Office Sector

The commercial office sector performance softened in 2019 recording 0.6% points and 3.1% points y/y decline in average rental yields and occupancy rates, to 7.5% and 80.2% in 2019, from 8.1% and 83.3%, respectively, in 2018. The subdued performance was largely driven by:

?. A decline in uptake of office space attributed to minimal growth in private sector credit, leading to downsizing or business closures, especially for small and medium-sized enterprises (SMEs), and,
i. An oversupply of 5.2 mn SQFT office space as at 2018, as per our NMA Commercial Office Report 2019, which has created a bargaining chip for potential tenants, forcing developers and landlords to reduce or maintain prices and rents in order to remain competitive and attract occupants to their office spaces.

The table below shows a summary of commercial office performance over time:

(All values in Kshs unless stated otherwise)

Summary of NMA Commercial Office Performance 2015-2019

Year	FY'15	FY'16	FY'17	FY'18	FY'19	Δ Y/Y 2017/18	Δ Y/Y 2018/19
Occupancy (%)	89.0%	88.0%	82.6%	83.3%	**80.2%**	0.7% points	**(3.1%) points**
Asking Rents (Kshs/Sqft)	97	103	101	101	**96**	(0.4%)	**(4.5%)**
Average Prices (Kshs/Sqft)	12,776	13,003	12,649	12,719	**12,638**	0.6%	**(0.6%)**
Average Rental Yields (%)	8.1%	8.4%	7.9%	8.1%	**7.5%**	0.2% points	**(0.6%) points**

- ***The commercial office sector performance dropped by 0.6% points and 3.1% points y/y in average rental yields and occupancy rates, respectively, to 7.5% and 80.2% in 2019, from 8.1% and 83.3%, respectively, in 2018***

Source: Cytonn Research 2019

The main highlights in the sector included: (i) the launch of corporate serviced offices at Sanlam Tower, Waiyaki Way, Westlands by Workable Nairobi, a commercial serviced office provider, (ii) the opening of Park Medical Centre along 3rd Parklands Avenue in Parklands, and (iii) opening of business offices by multinational corporations: Cigna, a global health service company, MAC Mobile, a FMCG technology solutions company, Mauritius Commercial Bank (MCB) Group and Abbott, a US-based healthcare company at the UNON Complex in Gigiri, 3 Mzima Springs Road in Kileleshwa, Pramukh towers in Westlands, and Watermark Business Park in Karen, respectively.

Our outlook for the commercial office in the Nairobi Metropolitan Area (NMA) sector remains negative given the increased office space supply and expected stagnation in performance, and thus investment in the commercial office theme should be geared towards long-term gains when the market picks up. Investments still exists in zones with low supply and high returns such as Gigiri and in differentiated concepts such as serviced offices recording rental yields of up to 13.4%.

III. Retail Sector

In 2019, the retail performance softened with yields declining by 1.2% points to 7.8% in 2019 from

9.0% in FY'2018 attributed to:

?. An introduction of 0.4 mn SQFT of retail space into the Nairobi Metropolitan Area (NMA) market driving down rents and occupancy rates by 1.5% and 3.3% points, respectively. Some of the new retail spaces amongst others include The Well in Karen and the expansion of Sarit Centre in Westlands, and,
i. Constrained spending power among consumers due to a tough financial environment.

The table below shows the performance summary of the retail market:

(All values in Kshs unless stated otherwise)

Summary of NMA Retail Sector Performance 2016-2019

Item	2016	2017	2018	2019	Δ Y/Y 2018	Δ Y/Y 2019
Average Asking Rents (Kshs/SQFT)	186.9	185.3	178.2	175.5	(3.8%)	**(1.5%)**
Average Occupancy (%)	89.3%	80.3%	79.8%	75.9%	(0.4%) points	**(4.0%) points**
Average Rental Yields	10.0%	9.6%	9.0%	7.8%	(0.6%) points	**(1.2%) points**

• The retail performance softened with yields declining by 1.2% points to 7.8% in 2019 from 9.0% in FY'2018 attributed to an introduction of 0.4 mn SQFT of retail space into the Nairobi Metropolitan Area (NMA) market driving down rents and occupancy rates by 1.5% and 3.3% points, respectively, and constrained spending power among consumers due to a tough financial environment

Source: Cytonn Research 2019

The major highlights for the retail sector for 2019 included:

?. South Africa retailer, Shoprite, opened three additional stores at the Garden City Mall along the Thika Superhighway, Waterfront Mall in Karen, and City Mall in Mombasa,
i. Local retailer, Nakumatt, closed its remaining Kenyan branches including Prestige Mall, Nakumatt Mega and Megacity Mall in Kisumu,
ii. Choppies Supermarket announced plans to exit the Kenyan market, where it currently has 12 stores, following poor performance as a result of the growing competition in the sector from both international brands and the informal sector.

We remain upbeat that the retail sector's performance will remain cushioned by increased market activity driven by the entry of international retailers into the Kenyan market such as Shoprite and Game, and the expansion efforts by local retailers such as Naivas and Tuskys as they take advantage of the attractive rental rates.

IV. Mixed-Use Developments (MUDs)

In 2019, commercial spaces i.e. office and retail in Mixed-Use Developments recorded average rental yields of 7.9% and 8.1%, respectively, 0.4% points and 0.3% points higher than the retail market average of 7.5% and 7.8% in 2019, respectively. The better performance of office and retail spaces in Mixed-Use Developments is attributed to the convenience of the spaces as one-stop centers for consumers living and working in the area.

Kilimani was the best performing MUD area recording average rental yields of 9.1% with the retail and office spaces recording rental yields of 9.6% and 8.4%, respectively, 1.2% points and 0.5%

points higher than the sector average of 8.4% and 7.9%, respectively. The performance was driven by high occupancy rates in addition to premium rental rates charged as the area serves a prime commercial and affluent neighbourhood with areas such as Kileleshwa and Lavington, hosting a large portion of Nairobi's high-end and upper-middle-class population. Mombasa Road and Eastlands were the worst performing areas recording rental yields of 5.7% and 5.5%, respectively attributed to low rental charges as a result of competition from informal Mixed-Use Developments.

NMA Mixed-Use Developments Market Performance Summary by Nodes 2019

Location	Retail Rental Yield (%)	Office Rental Yield (%)	Residential Rental Yield %	Avg. MUD yield
Kilimani	9.6%	8.4%		9.1%
Limuru Rd	8.6%	8.3%	5.7%	8.0%
Karen	7.3%	10.6%	4.6%	8.2%
UpperHill	7.0%	7.4%		7.4%
Westlands	9.6%	7.1%	4.8%	7.4%
Thika Rd	8.3%	8.0%	4.8%	6.0%
Msa Rd	6.4%	4.7%	5.1%	5.7%
Eastlands	5.7%	6.8%	5.5%	5.5%
Average	**8.4%**	**7.9%**	**5.0%**	**7.3%**

***Mixed-Use Developments in Kilimani and Upper Hill areas had no residential spaces**

• *Kilimani was the best performing node recording average rental yields of 9.1% with the retail and office spaces recording rental yields of 9.6% and 8.4%, respectively, driven by premium rental rates charged as the area serves a prime commercial and affluent neighbourhood with areas such as Kileleshwa and Lavington, hosting a large portion of Nairobi's high-end and upper-middle-class population*

• *Mombasa Road and Eastlands were the worst performing areas recording rental yields of 5.7% and 5.5%, respectively attributed to low rental charges as a result of competition from informal Mixed-Use Developments*

MUDs continue to offer an attractive investment opportunity in comparison to single-use theme concepts. The investment opportunity for mixed-use developments lies in incorporating differentiated concepts such as serviced apartments and offices which provide attractive returns of 6.4% and 13.5%, respectively, compared to the unserviced apartments and office performance of 5.1% and 7.9%, respectively, as at Q3'2019. For more information see Cytonn NMA Mixed-Use Developments (MUDs) Report 2019

V. Hospitality Sector

The hospitality sector recorded continued investor interest in 2019, fueled by the continued demand for hospitality facilities and services. According to the Leading Economic Indicators (LEI) September 2019, the total number of visitors arriving through Jomo Kenyatta (JKIA) and Moi International Airports (MIA) came in at 1.2 mn persons for the period between January and September 2019, 5.4% higher than 1.1 mn persons during the same period in 2018. We attribute the continued growth of the sector to the calm political environment and the improved security, increased air- travel and positive accolades boosting the country's status as a preferred travel destination globally while promoting it as an attractive investment opportunity for international players.

In terms of new developments, the sector recorded opening of several hospitality facilities, some of which include 40- key Cysuites Apartment Hotel in Westlands, 122-key Radisson Blu Hotel and Residences in Upperhill and 171-key City Lodge Hotel along Limuru Road. A few hotels also embarked on rebranding, aiming at leveraging on international brands and gaining competitive advantage in the wake of stiff competition in the sector, with Sankara Hotel, a 5-star hotel in Westlands rebranding as Marriott's Autograph collection following the signing of a franchise agreement with America's hospitality group, Marriott International.

In terms of performance in 2019, serviced apartments recorded a slight improvement in performance in 2019 with the average rental yield coming in at 7.6%, which is 0.2% points higher than 7.4% recorded in 2018. We attribute this to the increased demand for serviced apartments by both guests on business and leisure travels, which has triggered an increase in charge rates. The table below shows the market performance summary:

(All values in Kshs unless stated otherwise)

Serviced Apartments Performance in 2019

Node	Occupancy 2018	Occupancy 2019	Monthly Charge per SM 2019	Rental Yield 2018	Rental Yield 2019	% Rental Yield Δ
Westlands& Parklands	76.4%	80.8%	3,884	10.6%	10.8%	0.2%
Kilimani	86.0%	80.0%	3,353	10.9%	9.5%	(1.4%)
Limuru Road/Gigiri	84.4%	88.2%	3,430	9.7%	9.4%	(0.3%)
Kileleshwa& Lavington	82.9%	82.4%	2,869	7.8%	8.2%	0.4%
Upperhill	60.0%	67.8%	2,577	5.3%	6.0%	0.7%
Nairobi CBD	74.4%	72.0%	2,230	5.7%	5.1%	(0.5%)
Thika Road	90.0%	84.4%	1,321	4.4%	4.0%	(0.4%)
Msa Road	85.0%			5.0%		
Average	**79.9%**	**79.4%**	**2,806**	**7.4%**	**7.6%**	**0.2%**

• *Serviced apartments recorded an average rental yield of 7.6%, which is 0.2% points higher than 7.4% recorded in 2018, attributed to the increased demand for serviced apartments by both guests on business and leisure travels, which has triggered an increase in charge rates*

Source: Cytonn Research

We expect the hospitality sector to continue recording improved performance going forward driven by the improved security and political stability, increased air- travel and positive accolades boosting the country's status as a preferred travel destination globally while promoting it as an attractive investment opportunity for international players.

VI. Land Sector

Land prices within the Nairobi Metropolitan Area recorded an 8-year CAGR of 11.9% and a 2.0% y/y price change in 2019. The land performance was positively driven mainly by; i) the growing demand for development land especially in the satellite towns such as Ruiru and Syokimau as developers strive to drive the government's Big Four government agenda on the provision of affordable housing, ii) improving infrastructure with projects such as the expansion of Waiyaki and the dualling of the Northern by-pass, and iii) reduced supply of development class land at affordable prices in areas close to the Nairobi CBD resulting in demand for development class land in satellite towns.

The table below shows a summary of the performance of the theme in 2019:

(All values in Kshs unless stated otherwise)

Summary of Performance 2019- Land Sector

Nodes	*Price in 2011	*Price in 2017	*Price in 2018	Price in 2019	8 YR CAGR	Annual Capital appreciation
Satellite Towns-Unserviced Land	9.0 mn	20.4 mn	22.7 mn	24.9 mn	13.6%	**7.5%**
Nairobi Suburbs - High rise Residential Areas	46.0 mn	134.6 mn	135.0 mn	137.5 mn	14.7%	**4.0%**
Nairobi Suburbs - Low Rise Residential Areas	56.0 mn	82.4 mn	89.4 mn	91.6 mn	6.4%	**2.5%**
Satellite Towns-Serviced Land	6.0 mn	14.4 mn	14.3 mn	14.3 mn	11.5%	**0.3%**
Nairobi Suburbs - Commercial Areas	156.0 mn	429.8 mn	447.3 mn	428.5 mn	13.5%	**(4.4%)**
Average	**54.6 mn**	**136.3 mn**	**141.7 mn**	**139.4 mn**	**11.9%**	**2.0%**

• On overall, in 2019, land prices within the Nairobi Metropolitan Area grew by a 8- Year CAGR of 11.9% and recorded a 2.0% y/y capital appreciation attributed to the continued demand by both developers and investors

Source: Cytonn Research

We retain a positive outlook for the land sector supported by: i) improved infrastructure that exposes areas for investment, ii) political calmness in the country, and iii) the continued focus of the Governments Big Four agenda on the provision of affordable housing.

VII. Infrastructure Sector

As per the KNBS Economic Survey 2019, infrastructure sector's contribution to GDP increased by 0.4% points to 8.5% in 2018 from 8.1% in 2017, a clear indicator of the sector's growth. Additionally, in line with the country's economic expansion goals to make Kenya the African hub for transportation, industrial, and service sectors, the government expenditure continued to increase, albeit at a decreasing rate following the realization of majority of the projects. For the financial year 2019/20, government budget allocated infrastructural development Kshs 435.1 bn, 3.9% higher than 418.8 bn allocated for FY 2018/19. Notable activities during the year included:

?. Launch of the Jomo Kenyatta International Airport (JKIA) -Westlands Expressway, an 18.6-kilometer road project, which will start at JKIA and terminate at James Gichuru, along Waiyaki Way Road, in Westlands,

i. Completion of Phase 2A of the Standard Gauge Railway (SGR) project, bringing to operationalization the rail between Nairobi and Suswa, Naivasha and the subsequent launch of the Standard Gauge Railway Phase 2B which is set to connect Nakuru and Kisumu Counties,

ii. Completion of the newly constructed Outer Ring Interchange aimed at creating a seamless link to Thika Road, hence, easing traffic snarl ups on the two major roads,

iii. The launch of the construction of a 40-km 400kv power line which is set to power Konza City, as well as Kajiado, Makueni, and Machakos Counties, and,

iv. Commencement of the 17.4 km Western Bypass in April. The Kshs 17 bn project starts from Gitaru- linking the Northern bypass to the Southern Bypass - and terminates at Ruaka, in Kiambu County.

With the Government's economic transformation agenda, we expect to see more infrastructural projects being unveiled, which in turn will boost the real estate sector's performance and also lead to opening up of more areas for real estate development.

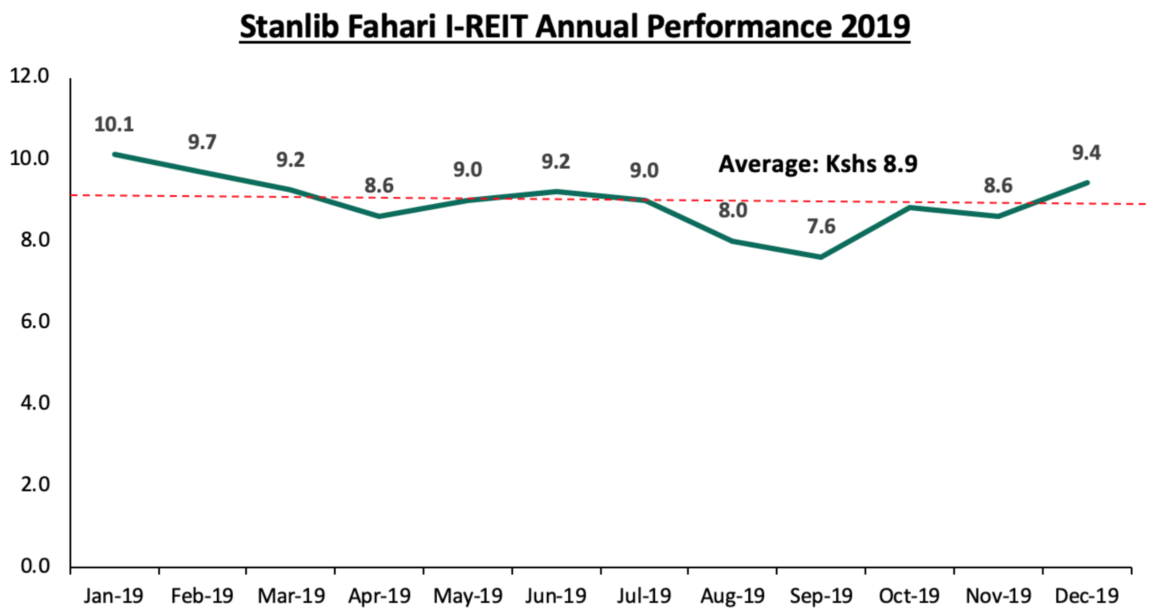
V . Statutory Review

In 2019, the government introduced a raft of measures targeting real estate, especially in an effort to improve home ownership and generally the existing regulatory structures. They include:

a. Exemption of stamp duty for the transfer of a house constructed under the affordable housing scheme,
b. Exemption of companies implementing projects under the affordable housing scheme from the application of thin capitalization rules,
c. Exemption of goods supplied for the direct and exclusive use for houses under the affordable housing scheme approved by the Cabinet Secretary (CS) for Finance from Value Added Tax (VAT),
d. Exemption from income tax of withdrawals from the NHDF to purchase a house by a first time home owner,
e. Inclusion of Unit Trust Fund Managers as Registered Home Ownership Savings Plan, and
f. Exemption of an investee company of a REIT registered by the Commissioner of Domestic Taxes (the Commissioner) from income tax.

VI. Listed Real Estate

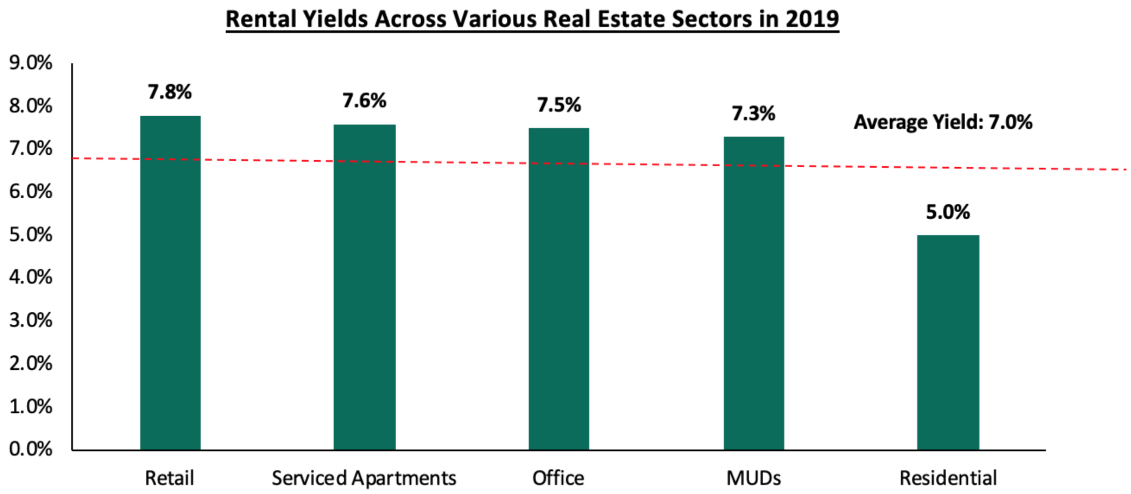
The Fahari I-REIT closed the year 2019 at Kshs 9.4 per share, 6.9% lower than its opening price of Kshs 10.1 per share. The REIT's value declined by 16.0% y/y trading at an average of Kshs 8.9 per share in comparison to Kshs 10.6 in 2018. The poor performance is attributable to (i) opacity of the exact returns from the underlying assets, (ii) the negative sentiments currently engulfing the sector given the poor performance of Fahari and Fusion REIT (FRED), (iii) inadequate investor knowledge, and (iv) lack of institutional support for REITs. For more analysis, see our REITs Topical



Our outlook for the REIT market remains negative due to the insufficient market structures and poor market sentiment, however, attempts by key real estate industry players in the region such as East Africa Forum for Structured products and REITs Association of Kenya to improve the market sentiment on REITs and other alternative investments, government efforts to improve the regulatory structures and the need for capital by developers is expected to drive uptake of the REIT.

Notable activities in the sector during the year included the enactment of the Finance Act 2019 which exempted the income of REITs investee companies from income tax and ICEA Lion Asset Management, a Kenya based fund manager, signed an agreement to acquire Stanlib Kenya.

Overall, we expect the real estate sector performance to continue picking up in 2020 supported by increased infrastructural upgrades, vibrant tourism sector, increase in foreign investments, and the anticipated improvement in private sector credit growth. The graph below is a summary of real estate performance in 2019:



Annual capital appreciation for existing properties in 2019 averaged at 2.0%.

The sector's pockets of value remain in themes such as housing for lower-middle to low-income earners in Satellite Towns such as Ruiru, Athi River and Ruaka, and differentiated concepts that have continued to deliver above-market rental yields such as serviced offices and serviced apartments with 13.4% and 7.6%, respectively, as well as mixed-use developments where office and retail spaces recorded average rental yields of 7.9% and 8.1%, respectively, 0.4% points and 0.3% points higher than their respective market average of 7.5% and 7.8%.