



**INTEGRATING GENDER AND CLIMATE
INTO MARKET SHAPING INDICATOR**



Welcome Note from the **RAK Chairman**

Dear members and stakeholders, A warm welcome to the 11th edition of the RAK Newsletter.

I am pleased to provide you with an update on the recent activities and progress of the REITs Association of Kenya (RAK) as we continue to promote and advance the REIT market in our country.

I would like to highlight the significant developments in the REITs Toolkit & Incubator program. The program kicked off with a productive meeting on April 5th, 2023, where industry professionals from various sectors of the REIT market came together to receive a brief on the REITs Toolkit and Incubator. Transaction advisors, lawyers, fund managers, and regulators collaborated to initiate the development of template tools that will benefit the entire Real Estate industry. I am pleased to inform you that the development of these tools is currently underway, and the first workshop was held on May 16th, 2023 at the Nairobi Securities Exchange trading floor, where professionals from the REITs market like Transaction, Legal and Regulatory Advisors who had been working on the templates presented the progress of their working groups. We anticipate launching the incubator in the third quarter, which will further enhance the growth and success of the REIT industry.

Furthermore, RAK had the privilege of holding a panel discussion at the 10th Annual East Africa Property Investment (EAPI) Summit, which took place from May 17th to 18th, 2023 at the Raddison Blue Hotel Upper Hill. The focus of the panel discussion topic was the REIT Toolkit and Incubator program as well as an overview of the REITs Association of Kenya, where representatives from RAK, Capital Markets Authority, Nairobi Securities Exchange, Renaissance Capital, and TripleOKLAW firm provided valuable insights to the audience. This platform allowed us to raise awareness and provide a better understanding of the program's objectives and benefits.

Additionally, I am delighted to announce the upcoming REITs Conference, scheduled to take place at Naivasha Enashipai Resort and Spa from October 31st to November 2nd, 2023. The conference, themed "Building Momentum & Unlocking the Power of REITs in East Africa," promises to be a remarkable event. It will feature keynote speeches, panel discussions, case study presentations, interactive workshops, and valuable networking opportunities. Participants will have the opportunity to engage in meaningful discussions, share experiences, and establish connections with key players in the REIT industry. We encourage all members to mark their

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calendars and participate actively in this highly anticipated event.

In conclusion, I would like to express my gratitude to all the members and stakeholders who have contributed to the progress of RAK. Together, we are fostering the growth of the REIT industry in Kenya and East Africa. I encourage you all to stay engaged, participate in upcoming events, and continue collaborating to unlock the full potential of REITs.

Thank you.
Enjoy the Read!

Kenneth Masika
RAK CHAIRMAN



Integrating Gender and Climate into Market shaping indicator

Authored by:

Allan Mutuma, Project Manager Open Access Initiative at Center for Affordable Housing (CAHF)



Climate change and gender inequality are some of the two most pressing issues facing our world today, and particularly around housing. Integrating gender and climate indicators into housing data is a critical step towards creating a more sustainable and equitable affordable housing solutions. This blog article explores the importance of integrating climate and gender data in housing data and discusses some of the key challenges and opportunities that exist within the African housing space. To begin with, the article sets the context on why it is important to collect data pertaining to climate and gender indicators with respect to housing. The article then reflects and presents housing data collected on gender and climate indicators in Africa, from 5 countries, using qualitative and quantitative approaches and concludes with recommendations from the data collection experience of climate and gender indicators.

Increasingly, policy makers and investors agree that affordable housing must engage with the particular circumstances of women, and the relationship between housing and the environment. By understanding the intersectionality between gender, climate, and housing, policymakers and other stakeholders can develop sustainable and equitable solutions to the challenges facing affordable housing delivery. While delivery targets and KPIs insist upon this attention, there is little data available to either quantify and understand the problem, or to track progress in its resolution. This data challenge is not new to the affordable housing sector, and it is for this reason that CAHF, Real and 71point4 developed the Market Shaping Indicators (MSIs) under the [Data Agenda for Africa Programme](#). The MSIs are a set of indicators that provide information on the state and functioning of a country's housing

sector. The framework for the MSIs splits the indicators into those that illustrate the functioning of the housing delivery Value Chain and those that clarify the local Context in which housing delivery occurs.

The Value Chain section of the MSIs includes four sub-categories: Land and Infrastructure, Construction and Investment, Sales and Rental, Maintenance and Management and 16 components, while the Context category has three sub-categories: Enabling Environment, Economic Environment, Demand along with three components.

To enable a similar level of replicability across different African countries, the focus of the MSIs has been on collecting administrative and regulatory data that is mainly put together by national survey data as collected by public sector sources such as national statistical agencies, ministries, central banks and other public sources of data.

While the housing data landscape in Africa still has significant gaps, an added layer of complexity is the lack of data that specifically focuses on gender and climate issues. If they are to invest in these sub-sectors of the housing economy, investors need to understand the particular issues facing women in their participation in affordable housing markets and to identify the key climate and sustainability-related issues that impact on, or are given rise to by, affordable housing.

In the data collection cycle of 2022/23, the MSIs incorporated a first effort to round out the picture of gender, climate, and sustainability issues in housing. The data collection was piloted in five African countries namely, [Kenya](#), [Uganda](#), [Mozambique](#),

Ghana and Nigeria, with 2 countries (Senegal and Tanzania) to follow shortly after, and applied both qualitative and qualitative approaches to collecting gender and climate data.

The integration of gender in the MSIs was based on the premise that women play a variety of roles in relation to the housing, in a community. Therefore, the MSIs categorized these roles into three: as (1) Women as Consumers of Housing, (2) Women as Suppliers of Housing and (3) Women as Home-based Entrepreneurs. Subsequently, the specific indicators were developed to understand and track the opportunities and challenges, women face with relation to property rights, end user financing among others relevant indications. The 3 role categories were assumed to be non-mutually exclusive, since women seek to improve the social, economic, and financial performance of their homes, and as such, may operate in each of these categories simultaneously

Women as	Relevant indications of market shaping
Consumers of housing	<ul style="list-style-type: none"> Access to property rights / tenure situation Strain of location – distance and transport type Access to water, sanitation, power Quality of housing (durability) Sufficiency of housing (overcrowding) Access to end-user finance
Suppliers of housing	<ul style="list-style-type: none"> Participation in the construction sector as employers or employees Access to construction finance
Home based entrepreneurs	<ul style="list-style-type: none"> Incidence of home-based entrepreneurship Incidence of small scale, home-based landlordism

On the other side, the integration of Climate and Sustainability into the MSIs was framed differently, because the relationship between housing and climate goes in both directions. The integration was therefore premised on the impact of the environment on the current housing situation, and the impact of housing on the environment. Working with these two perspectives, indicators were then structured into two main categories – housing construction (i.e., the new production of housing), and housing management/maintenance (i.e., the life cycle of existing housing). These categories framed the relevant indicators to better explore different aspects of climate and housing such as carbon footprints, energy efficiency, climate risks incidences and policies that ought to be put in place. These indicators were developed with the thesis of shedding lighter on the relationship between climate and the cost and safety of housing in particular for low-income earners, and the impact this has on sustainability. The experience during the data collection process reflects the original hypothesis set out in the concept note regarding the limited availability of data. From the data collection exercise conducted in Quarter 4 of 2022, very limited quantitative data, at all aggregation levels (National, Capital City, Urban Centers and Bottom 40) was successfully collected. To address this anticipated constraint, a qualitative survey provided insights towards a more rounded picture of gender and climate. Qualitative responses received from the five countries under study are summarized in the table below.

The findings can be summarized into two main points. First, there is a common thread on the bias of culture and in some cases religion against, the right for women to own, inherit and access financing for housing. While these cultural and religious biases are less frequent in the urban areas where housing gaps tend to be more pronounced – it still suggests that mind-set shift is required across all African countries, to ensure the equitable right of women to access, and more importantly

Qualitative questions regarding gender

No	Questions	Summarized Responses from Kenya, Uganda, Nigeria, Mozambique, and Ghana
1	To what extent do females need permission from male family members to access credit, and is it specific to particular kinds of credit?	Data from the sampled countries indicate that women do not need to seek permission from a male family member to access credit. However, Kenya and Uganda recorded responses that formal loans from Banks require spousal consent where collaterals are attached. The spousal consent works both ways (for men and women) and is meant to protect matrimonial property.
2	Do women need permission from male family members to purchase a property or to rent a unit, and how is this expressed administratively?	Similar to the credit findings, responses from the sampled countries indicate that women do not need to seek permission from a male family member to purchase a property. It was noted that men may play a consultative role in the purchase process depending on the context of the woman.
3	How common is it for women to be evicted from their homes when their husbands die? Or when the relationship ends? Is this incidence recorded anywhere, whether by an NGO or in court documents, or otherwise?	<p>Across all countries, it was unanimously reported that women, particularly in rural areas are frequently evicted from their homes when their husbands die. The contributing factors to these practices are cultural, poverty and illiteracy and limited awareness of women's rights.</p> <p>These practices are still common in spite of the existence of clear laws on inheritance and matrimonial property. It was noted in urban areas, women are more empowered to fight for the matrimonial property through legal channels.</p> <p>There are no formal records of these incidences apart from legal cases that have been filed, which represent a small sample of the whole picture.</p>

4	Do female children inherit property?	<p>Similar to the above question, the legal framework has established that all children (Male and Female) can inherit property – save for instances where parents have a will that specifies succession.</p> <p>However, most responses noted that in urban centres and within enlightened families, female children normally inherit property.</p> <p>Across all countries, the challenge was noted to be in rural areas where cultural practices do not permit female children to inherit, especially those married – as it is viewed that they ‘belong’ to the husband’s family.</p>
5	Is there something like a “Gender Commission” and does it address any issues relating to housing - what is the name of the institution or body?	<p>All countries recorded the existence of a Cabinet level docket, that is concerned with coordination of gender and social affairs within government. This Ministry is called the Ministry of Gender, Labour, and Social Development (or a derivation of the same). However, in all countries, there was no Government agency or commission that exclusively addresses the issues of women with relation to housing.</p> <p>Kenya was noted to have, Women in Real Estate (WIRE), which is a professional and industry networking association meant to encourage the participation of women in real estate careers.</p>

own houses. The second common thread that stands out is the lack of government sponsored policies and programs, as well as private sector products and services that either address of the issues related to gender and housing., or maximise on the opportunity of singling out women as a target market. The

active promotion of home ownership for women is not evident in any of the countries studied. This is an opportunity that should be explored in the backdrop of the critical roles that women play and the significance of their housing in enabling their contributions.

No	Questions	Summarized Responses from Kenya, Uganda, Nigeria, Mozambique, and Ghana
1	What are the dominant climate risks (flooding, cyclones, wildfires, droughts) faced by poor people and are these different from those faced by the wealthy? Provide examples of any recent climate related disasters.	Both extremes of flooding and drought were recorded as the dominant climate risks across all countries. Mozambique was unique perhaps because of its geolocation as it recorded cyclones and destructive monsoon winds. Uganda was the only country to note mudslides as a common climate risk – often precipitated by floods. In all the countries, it was clear that the climate risks disproportionately impacted the poor.
2	To what extent do green finance providers or green mortgages exist for new home builds or renovations?	<p>Green financing does exist as a concept in Kenya and Nigeria. A concept that has received attention from various players but has not been implemented. It was noted that in these markets the green financing primarily applies to developers and has not yet cascaded down to retail mortgage products.</p> <p>Ghana, Uganda, and Mozambique did not record any green financing providers at developer or retail levels.</p>
3	Are climate and sustainability issues part of the national discussion relating to affordable housing? In what way?	<p>Across all countries, it was noted that climate and sustainability issues are part of the national discussion relating to housing. However, the interesting insight was that they do not rank highly in the hierarchy of immediate needs to resolve. Climate and sustainability considerations are part of the national discussions relating to affordable housing.</p> <p>Other issues such as land cost and tenures, cost of construction, financing needs rank much higher.</p>
4	To what extent are policies/ regulations/ building codes in place to support green building?	Kenya, Nigeria, Ghana, and Uganda recorded the existence or development of Green Building Codes. There was doubt as the implementation of the codes as normal building and planning codes are presently not strictly adhered to. By way of example, Nigeria has a Building Energy Efficiency Guideline, Cap 37 of Ghana’s Ghana Building Code, details green building policies.

5	Do green rating/certifying systems bodies such as a Green Buildings Council exist? If they exist, to what extent are they functioning and do they have reasonable reach?	<p>Across all countries there was an acknowledgement that IFC Edge green certification was present.</p> <p>However, only Kenya, Nigeria and Ghana recorded a local Green Building Council, but the extent of the certification was not clear. The councils were seen to play a more advocacy role and their presence or importance is not well established by most developers in those markets.</p>
6	Do tax or other monetary incentives exist to encourage green building?	<p>Similar to the green financing theme, the concept of monetary incentives to encourage green building exists as a concept in Kenya and Nigeria. A concept that has received attention from various players but has not been implemented. However, in Kenya, the Acorn green bond was noted to be tax exempt to investors, which is not any different from infrastructure bonds that are also tax exempt. It was noted that what was lacking was demonstration of a green building incentive on the construction inputs.</p>
7	Describe the level of market penetration and acceptance of green products and building systems in the marketplace	<p>Across all countries it was noted that uptake of green construction inputs and building systems was relatively low. The main factors contributing to this are (1) the perception (misconception) that green products and building systems are expensive (2) related to the first lack sufficient knowledge or interest in adopting green products and (3) green products and building systems are lower order problems to solve for in the marketplace.</p>
8	To what extent are green products and building systems targeted specifically at low-income households?	<p>Coming from the preceding question, across all countries it was noted that no housing green products or building systems were geared towards low-income households.</p> <p>Housing appliances and solar panels however have several green suppliers and products targeted towards low-income households.</p>

Qualitative questions regarding climate and sustainability

On climate and sustainability, it is clear that climate risks have become increasingly rampant and are disproportionately affecting poor. Additionally, while the housing sectors in the surveyed African countries recognize the increasing importance of adopting green housing, witnessed by green building codes and the existence of green building councils and monetary incentives, there still exists a significant gap in the actual execution and delivery of green products and housing. Countries need to move the needle from discussions and engaging with green housing as a concept that is good, to have to an imperative, a “must-implement” initiative in the provision of housing. Climate and housing issues are somewhat at a crossroads – while the green argument in housing is accepted and acknowledged, its application (where it really matters) is largely overlooked. This is the real housing challenge – bringing the affordable and the green arguments together and giving expression to them on the ground.

Conclusion

Notwithstanding the efforts that have gone into framing Gender and Climate issues as they relate to affordable housing, there are significant data gaps. That is why have Reall and CAHF have partnered further, with FSDAi and FSD Kenya in pursuing the Open Access Initiative, which seeks to collect micro-level data (at project level) from private sources such as implementation partners, developers, financiers, with the thesis of harnessing more data. The approach envisions that implementation partners will provide or collect data over the lifecycle of their

projects in four broad categories relating to the product being delivered, the process followed (in terms of statutory steps, time and cost), the people targeted and impacted upon, and the performance of the project over the long term.

A key intention of the parties involved in the Open Access initiative is that the data collection process supports their focus on climate smart and sustainable affordable housing delivery, while also addressing issues of gender. The data collected in terms of product, process, people, and performance will therefore explicitly address key climate, sustainability and gender issues, as they arise at a project level. In the short term, these will offer project-based indications to influence the macro perspective offered by the MSIs. In the longer term, these might also shape the data collected by the MSIs, as explicit reporting on these issues mainstreams beyond the project level.



REITS Full-Year Performance Snapshot

Key highlights from ILAM Fahari I-REIT 2022 Full Year (FY) results:



Financial Snapshot:

- **Total net loss:** KES. 28.4 Mn as of December 2022 down by 77% from KES. 124Mn recorded in December 2021. Attributable to new anchor tenant at Greenspan Mall
- **Rental and related income:** KES. 354.3 Mn, up by 19% from 297.5 Mn in the comparative period due to contribution from the new anchor tenant.
- **Operating expenses:** KES. 243Mn, up by 6% from 229.5Mn in the comparative period; due to an incurred business restructuring cost as well as expenses towards property refurbishment.
- **Total AUM:** KES. 3.5 Bn; comprising investment property valued at KES. 3.1 Bn and cash and investment securities of KES. 377.0 Mn
- **Distributable Earnings:** REIT Manager has recommended a first and final distribution of KES 117.6Mn for the period ended December 2022.
- **Net Asset Value (NAV) Per Unit:** KES. 18.92 down by 3% in the comparative period last year, attributable to decrease in AUM.

Full condensed Full Year report: https://ilamfahariireit.com/assets/files/ILAM_Fahari_I-REIT_Annual_Report_FY2022.pdf

Key highlights from Acorn REITs 2022 Full Year (FY) results:



ASA I-REIT Financial snapshot

- **Total income:** KES. 463Mn; up by 6.8% from KES. 433.7Mn due to increased rental and related income
- **Management Expense Ratio:** 1.1% compared to 1.4% recorded over a similar period in 2021.
- **Total AUM:** KES. 6.8Bn up by 88% in the previous year comparative period, due to the acquisitions of two new properties and fair value gains in seed properties
- **Full Year distribution:** KES. 192Mn
- **NAV per Unit:** KES. 21.59 up from KES. 20.80 in December 2021
- **Full Year Distribution per unit:** KES. 0.77
- **Full Year Distribution yield** (based on the value of the units as at 31.12.2022): 4.5%

Full report: <https://acornholdingsafrica.com/wp-content/uploads/2023/04/ASA-I-REIT-Financial-Statements.pdf>

ASA D-REIT Financial snapshot

- **Total operating income:** KES 1Bn, comprised of the rental income generated from three operational properties and revaluation of ongoing projects.
- **Operating expenses:** KES 183.7Mn attributed to management fees and trustee and custodial fees due to enhancement of NAV.
- **Total AUM:** KES 10.4Bn; grown by 23.3% from KES. 8.4 Bn in December 2021 largely due to capital expenditure that has gone into the assets of the D-REIT.
- **Net Asset Value:** KES 6.2Bn
- **NAV per Unit:** KES. 25.20 up by 5.7% from the entry value attributable to increase in capital growth.
- **Distributable Earnings:** Nil; The ASA D-REIT will not be making any distributions to unit holders as no capital gains realized in the reporting period.
- **Dividend payouts;** projected to begin from 2023.
- **D-REIT 10 yr. target IRR:** 34.9%
- **Blended 10 yr. return:** 18.0%; projected return based on 30% allocation to the D-REIT and 70% to I-REIT

Full report: <https://acornholdingsafrica.com/wp-content/uploads/2023/04/ASA-D-REIT-Financial-Statements.pdf>

Secretariat Report



RAK REITs Toolkit and Incubator Program Panel



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Justus Agoti Manager of Product Development & Uptake Capital Market Authority



Karimi Warui VP of Investment Banking Renaissance Capital



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