REITS ASSOCIATION OF KENYA (RAK)
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REITS ASSOCIATION OF KENYA



TRANSFORMING AFRICA'S REIT LANDSCAPE THROUGH DATA, POLICY REFORM, AND REGIONAL INTEGRATION



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Welcome Note from the **RAK Chairman**

It is my pleasure to welcome you to the 20th Edition of the RAK Newsletter, a milestone that reflects both the continuity of our journey and the steady progress we continue to make in advancing Kenya's REIT ecosystem.

We began the year with a successful REIT Breakfast Forum held in February 2026, which brought together key industry stakeholders for focused discussions on the state and future of the sector. A major highlight of the forum was the official launch of the Kenyan REIT Chartbook 2025, alongside a comprehensive review of the sector's 2025 performance and outlook for 2026. The forum also featured presentations on REIT issuances, ESG integration, and sustainable finance initiatives, reinforcing the importance of innovation and structured capital solutions in unlocking growth within the real estate sector.



Participants at the REIT Breakfast Forum

The Kenyan REIT Chartbook 2025 remains a cornerstone of our research and advocacy efforts. It provides a detailed, data-driven analysis of the market, covering performance trends, and market

activity. The insights from the Chartbook continue to highlight both the resilience of the sector and the opportunities that exist to deepen liquidity, enhance market participation, and strengthen the overall REIT framework in Kenya.



The team behind the development of the Kenya REIT Chart Book 2025 at its launch during the REIT Breakfast Forum

In parallel with our research and industry engagements, the Association has continued to actively champion policy and regulatory reforms. During the year, we held a series of advocacy engagements with the National Treasury and the Capital Markets Authority (CMA) aimed at advancing key proposals for inclusion in the Finance Bill 2026, as well as contributing to the ongoing review of the CMA REIT Regulations.

These engagements focused on critical areas necessary to unlock the full potential of the REIT market, including reducing transaction costs, addressing tax incentives such as stamp duty and capital gains tax on REIT structures, and aligning regulatory frameworks with global best practices. We remain encouraged by the constructive dialogue with policymakers and are optimistic that these efforts will contribute to a more enabling environment for REIT issuers and investors alike.

Building on this momentum, we convened the **African REIT Conference 2026** in Naivasha under the theme ***"Transforming Africa's REIT Landscape through Policy Innovation, Market Transparency, and Global Alignment."*** The conference brought together industry leaders, policymakers, investors, and practitioners from across the continent and beyond.

We were particularly honoured to host distinguished speakers and participants from Ghana, Zimbabwe, Uganda, Tanzania, South Africa, Botswana and NAREIT. Their presence enriched the discussions and underscored the importance of regional collaboration in building a strong and interconnected African REIT ecosystem.



Delegates from across Africa at the African REIT Conference 2026

A key highlight of the conference was the focused engagement on **REIT Best Practice Guidelines,** which provide a structured framework covering key areas including valuation, performance matrix, credit rating, and ESG reporting. They are designed to enhance transparency, promote consistency in market practices, and strengthen investor confidence in the Kenyan REIT market.



The team behind the development of the REIT Best Practice Guidelines during the launch at the African REIT Conference 2026

Across all these engagements, a common thread has emerged: the critical role of REITs in mobilizing long-term capital, enhancing liquidity in real estate markets, and supporting national development priorities such as housing and infrastructure. From the insights captured in the Chartbook, to our policy advocacy efforts, and the continental dialogue at the conference, it is clear that the foundation for a more vibrant REIT market is steadily being strengthened.

As an Association, we continue to champion the growth and sustainability of the REIT market by enabling effective collaboration among issuers, investors, and regulators. While we are encouraged by the progress made, we remain equally focused on the work that lies ahead.

African REIT Conference 2026

Sponsors & Partners

As we reflect on these milestones, I wish to extend my sincere gratitude to our sponsors and partners whose support made the African REIT Conference 2026 a success. We deeply appreciate the Affordable Housing Board, ATC Kenya, Property Development & Management Limited, Mboya, Wangong'u & Waiyaki Advocates, Africa Logistics Properties, Capital Markets Authority, Laptrust Imara I-REIT, International Housing Solutions, Construkt Africa, The Cooperative Bank of Kenya, Laser Property Services, Mi Vida Homes, Acorn Holding Africa, Dyer & Blair Investment Bank, TripleOKLaw Advocates, Broll Kenya, Nairobi Securities Exchange, ILAM Fahari I-REIT, and our media partner Nation Media Group for their invaluable contributions.

We also extend our appreciation to Kenya Association of Stockbrokers & Investment Banks, Fund Managers Association, and Kenya Property Developers Association for their endorsement and continued support in advancing the REIT agenda.

Looking ahead, we remain committed to building on this momentum—championing innovation, advocating for progressive policy reforms, and enhancing market awareness. Together, we can unlock the full potential of REITs as a transformative tool for economic growth and inclusive development.

I invite you to explore this edition of the newsletter, which brings together the insights from the Kenyan REIT Chartbook 2025 and the highlights of the African REIT Conference 2026.

Thank you for your continued partnership and dedication to advancing the REIT agenda in Kenya and across Africa.

Enjoy the read!

Geoffrey Odundo,
RAK Chairman.



Kenya REITs Chart Book 2025 Full Year

A Vision for Data-Driven REIT Excellence

This inaugural Kenya REIT Chart Book was conceptualized by Ruth Okal, CFA—Chairperson of the REIT Association of Kenya (RAK) Policy, Research, and Publications (PPR) Sub-Committee, and Assistant General Manager at ILAM Fahari I-REIT. As a trailblazing founder REIT manager, Ruth has spearheaded transformative initiatives, including the pioneering restructuring of STANLIB Fahari I-REIT—East Africa's first listed Income Real Estate Investment Trust—into a restricted REIT structure, marking a regional milestone. Her vision drives this Chart Book: to deliver data-driven insights, enhance market transparency, and elevate research standards across Kenya's REIT sector.

This Chart Book is compiled by Crispus Kamau, AssocRICS, the Executive Director of Sterling Real Estate Advisory (STREAD)

Crispus Kamau is a REIT structuring and real estate investment specialist with experience across listed property markets in Africa. He is an Executive Director at STREAD. Prior to this, he served as Senior Asset Manager – Kenya and Pan-African Industrial Platform at the LSE-listed Grit Real Estate Income Group Limited. He is an ongoing contributor to the REIT Association of Kenya's policy and research initiatives. Crispus is an Associate Member of the Royal Institution of Chartered Surveyors (AssocRICS), an IFC EDGE Expert, a CAIA candidate, and an alumnus of the University of Cape Town's Property Studies Programme.

The Chart Book is co-authored by Barbra Rotich an Investment Analyst at ICEA LION Asset Management Limited (ILAM), the promoter and REIT Manager of ILAM Fahari I-REIT, where she delivers comprehensive financial analysis, modelling, research and valuation. She holds a BSc in Financial Engineering from JKUAT and is a certified Financial Modelling & Valuation Analyst (FMVA®) and data scientist. Barbra leverages quantitative analysis and data visualization—utilizing Python, R, Excel, and Power BI—to advance market transparency and research excellence across Kenya's REIT sector and broader investment landscape. She is a CFA L2 candidate.

Data has been provided by the existing REITs and independently reviewed by the Nairobi Securities Exchange (NSE) by Bryan Nthiga, a business development manager at NSE and the REIT Association of Kenya (RAK).

1. INTRODUCTION

This Chart Book provides a snapshot of the performance of Kenyan Real Estate Investment Trusts (REITs) relative to other key asset classes in the Kenyan capital markets, analysing short-, medium-, and long-term trends over the 2020– 2025 period. The publication focuses on returns, income characteristics, liquidity, and valuation metrics, using publicly available market data.

The objective of the Chart Book is to support market participants, policymakers, and investors with consistent, transparent, and comparable performance indicators for the Kenyan REIT market.

1.1 Closing Pricing Note

For REIT securities traded on the Nairobi Securities Exchange Unquoted Securities Platform (USP), the year-end price used in calculating price return and total return is the official closing price recorded on the USP for the relevant financial period. This applies to Acorn I-REIT, Acorn D-REIT, and ILAM Fahari I-REIT.

1.2 Note on Re-issuance:

a) Updated Market Capitalization Methodology

Please note that the 2025 HY, 2025 FY REIT Chart Book and the 8th Edition RAK Newsletter: Comparing REIT Performance Across Kenya, South Africa & the United States have been updated and re-issued to reflect a revised framework for calculating market capitalization across the listed REIT landscape.

Previous Framework - Market capitalization figures in the initial releases were calculated using Net Asset Value (NAV) for ASA REITs.

Updated Framework - Under our aligned 2026 H1 methodology, market capitalization is now calculated using the official closing price recorded on the USP for the relevant financial period.

This correction ensures historical consistency and standardizes market valuation metrics across all REITs in our past and current publications. Updated figures across tables, charts, and comparative summaries are now fully aligned with this framework.

b) NSE All-Share Index (NASI) Returns Update Note

The NSE All-Share Index (NASI) returns have been updated for the 2025 HY and 2025 FY REIT Chart Books: previously, the calculations used prices from January 31 to December 31. The revised calculations run from January 1 to December 31.

2. PERFORMANCE

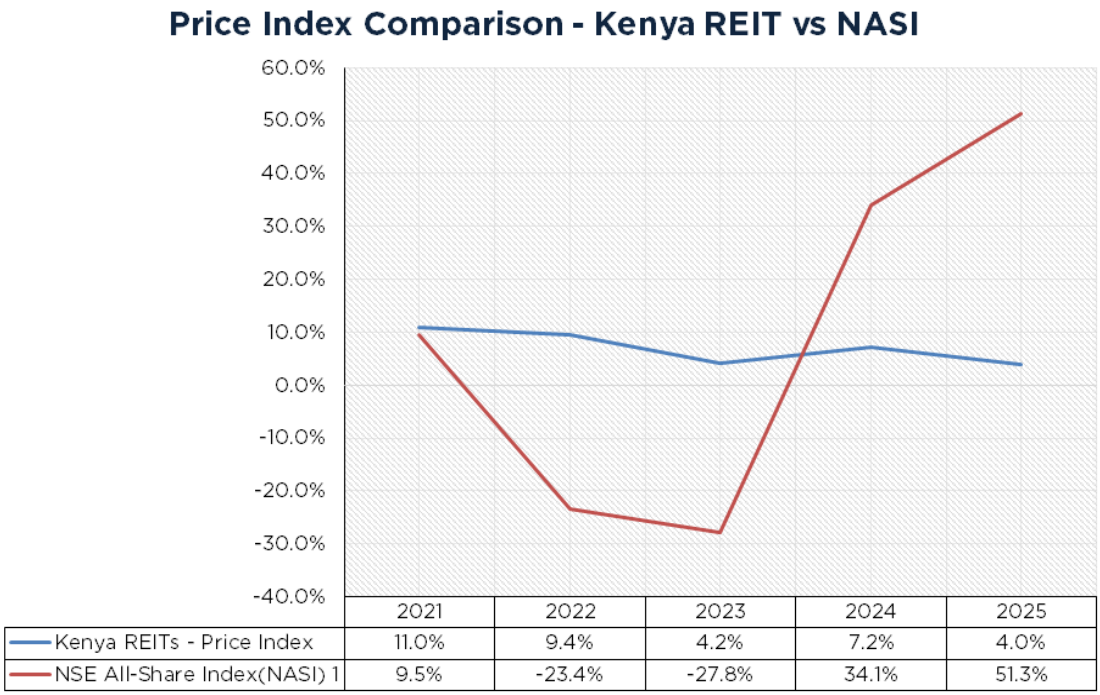
This table summarises the annual performance of Kenyan REITs relative to the NSE All-Share Index and the 10-Year Government Bond yield, highlighting comparative returns across property, equities, and fixed income over the period.

Period	Kenya REITs - Price Only Index	NSE All-Share Index (NASI)	Kenya REITs - Total Index	10 Year Bond Yield
2020 FY	n/a	-8.6%	n/a	11.9%
2021 FY	11.0%	9.5%	8.3%	12.5%
2022 FY	9.4%	-23.4%	9.1%	13.8%
2023 FY	4.2%	-27.8%	5.9%	15.7%
2024 FY	7.2%	34.1%	6.4%	13.6%
2025 FY	4.0%	51.3%	2.9%	12.6%

1 – The NSE All-Share Index (NASI) is a price-only index and excludes income returns.

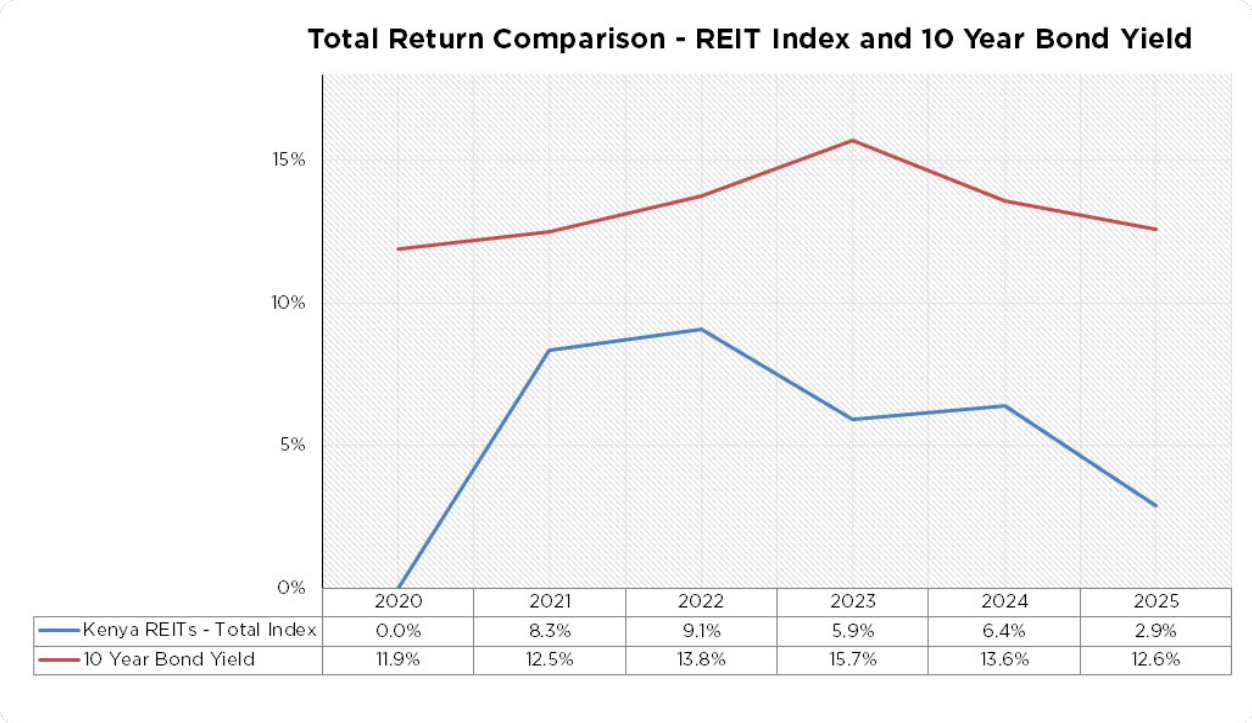
3. RETURN INDEXES COMPARISON

This chart compares the price index movements of listed Kenyan REITs against the NSE All-Share Index (NASI) over the period 2021 to 2025. It presents the indexed price trends for both asset classes on a common percentage basis, allowing for a clear visual comparison of how REIT prices and the broader equity market have moved over time.



1 – The NSE All-Share Index (NASI) is a price-only index and excludes income returns.

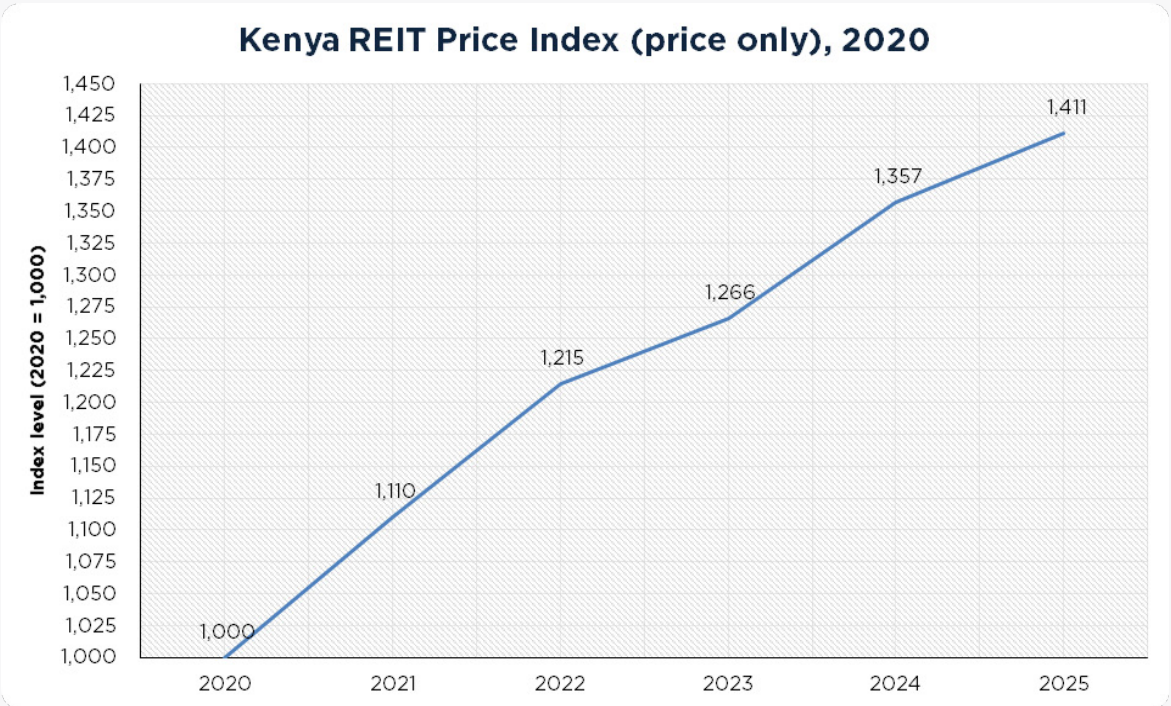
This chart presents a comparison between the Kenyan REIT total return index and the 10-year government bond yield over the period 2021 to 2025. It shows the indexed annual return profile of listed Kenyan REITs alongside prevailing long-term risk-free yields, providing a visual reference of their relative movement over time.



	2020	2021	2022	2023	2024	2025
Kenya REITs - Total Index	0.0%	8.3%	9.1%	5.9%	6.4%	2.9%
10 Year Bond Yield	11.9%	12.5%	13.8%	15.7%	13.6%	12.6%

4. Kenya REIT Index (Price Only)

This chart isolates pure price performance of listed Kenyan REITs, excluding income distributions, to highlight capital appreciation trends and market pricing dynamics from 2024 to 2025.



5. Comparative Price Return Investment Correlation

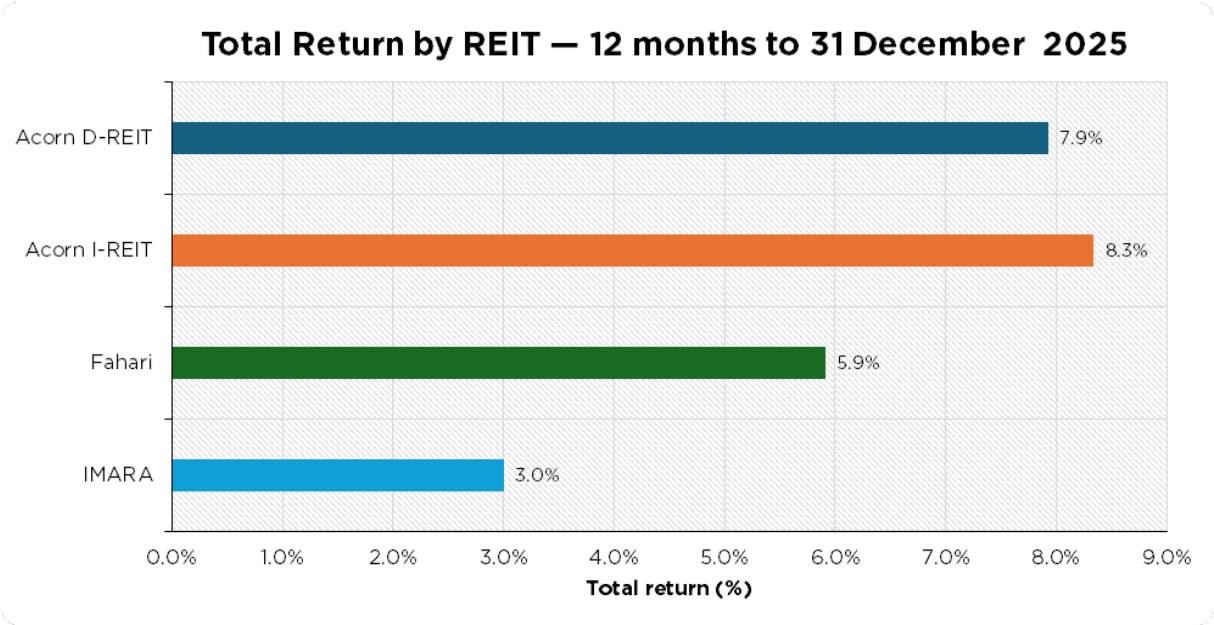
This chart presents the correlation of price returns between Kenyan REITs and selected equity and fixed income indices, illustrating diversification characteristics independent of income distributions

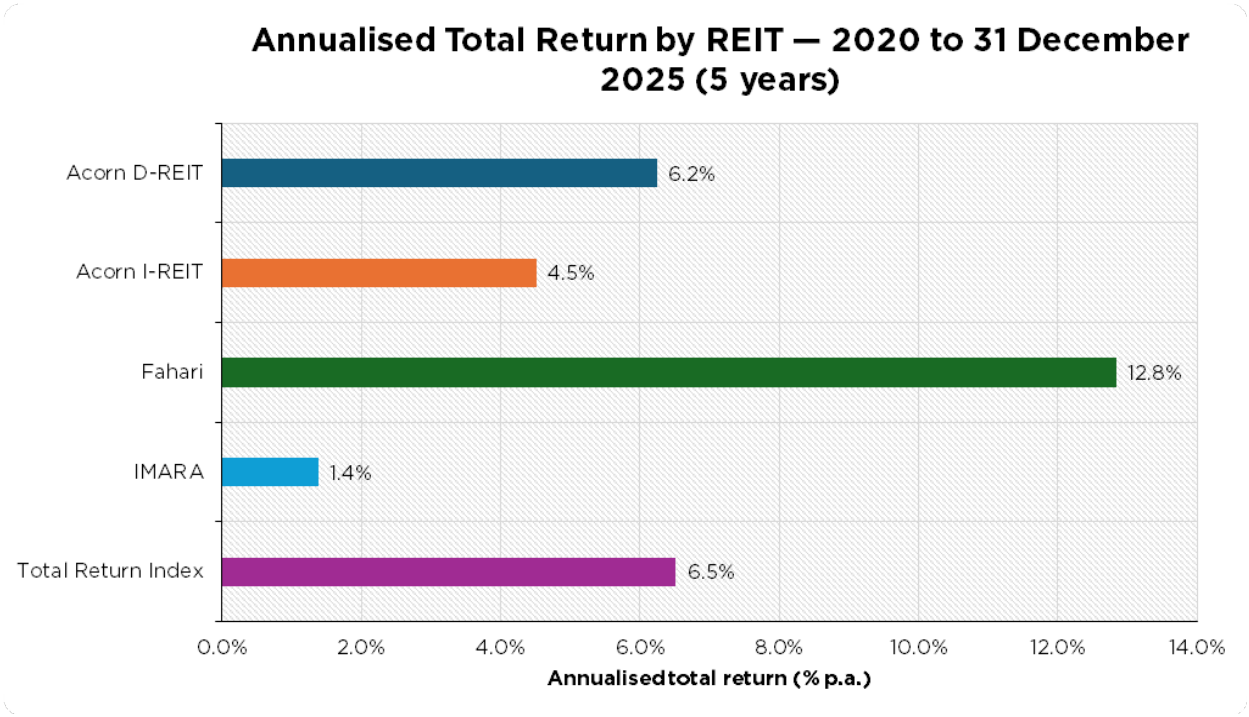
	NASI	NSE 20	NSE Manufacturing	NSE Financial	S&P Kenya Bond Index[2]	Kenyan REITs
NASI	1.00	0.82	0.59	0.79	0.11	0.14
NSE 20	0.82	1.00	0.57	0.86	0.06	0.24
NSE Manufacturing	0.59	0.57	1.00	0.54	0.01	0.23
NSE Financial	0.79	0.86	0.54	1.00	0.12	0.26
S&P Kenya Bond Index [2]	0.11	0.06	0.01	0.12	1.00	0.09
Kenyan REITs	0.14	0.24	0.23	0.26	0.09	1.00

2 - S&P Kenya Sovereign Bond Index (Total Return) reflects both price changes and reinvested coupon income.

6. Kenyan REITs – Short-, Medium- and Long-Term Performance

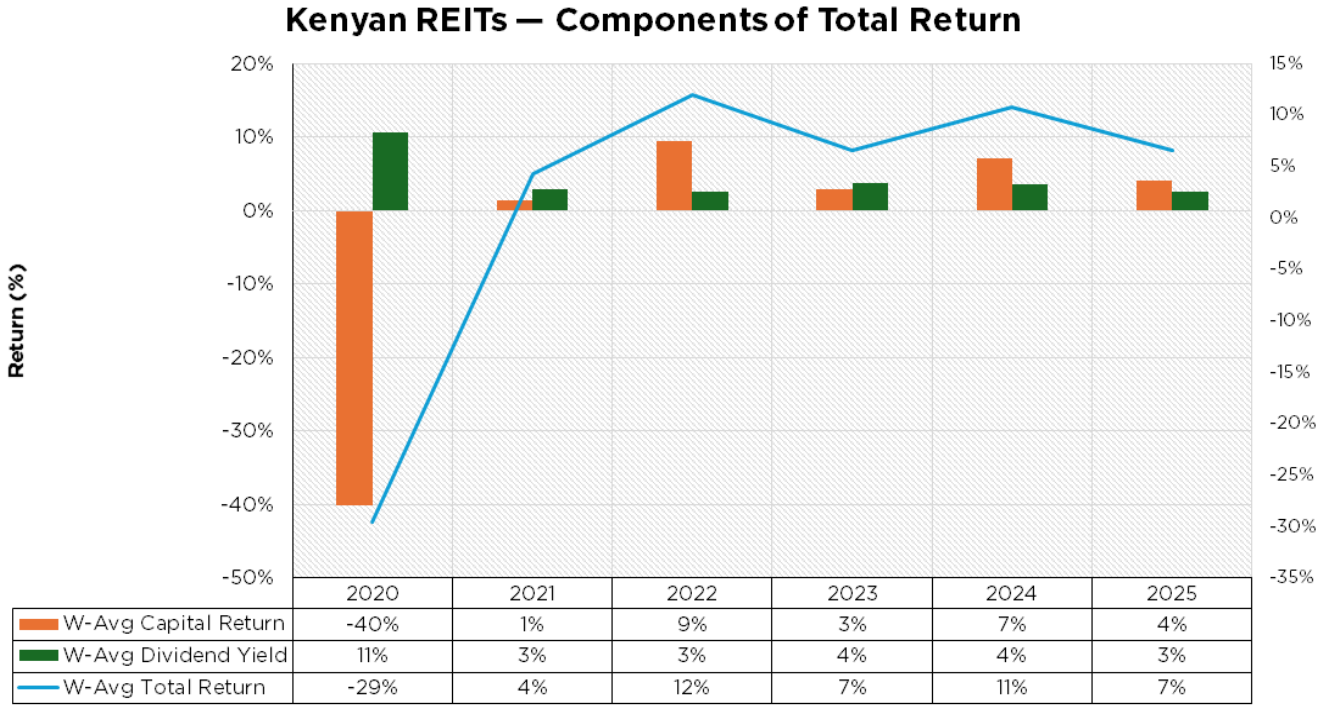
The following two charts compare Kenyan Total REIT performance across different investment horizons, highlighting consistency, cyclicality, and resilience over time.





7. Kenyan REITs - annual return components

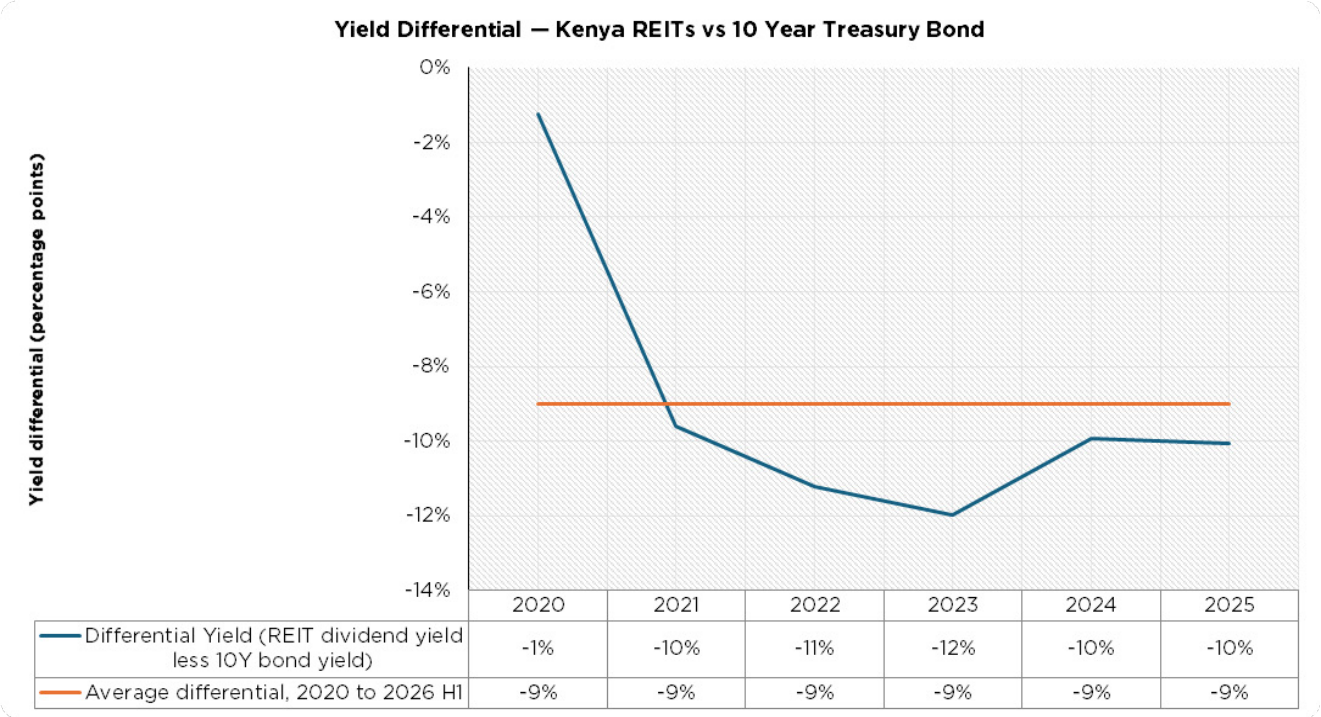
This chart decomposes annual REIT returns into income and price components, providing insight into the primary drivers of investor returns



	2020	2021	2022	2023	2024	2025
W-Avg Capital Return	-40%	1%	9%	3%	7%	4%
W-Avg Dividend Yield	11%	3%	3%	4%	4%	3%
W-Avg Total Return	-29%	4%	12%	7%	11%	7%

8. Yield Differential (REIT vs 10 Year Treasury Bond

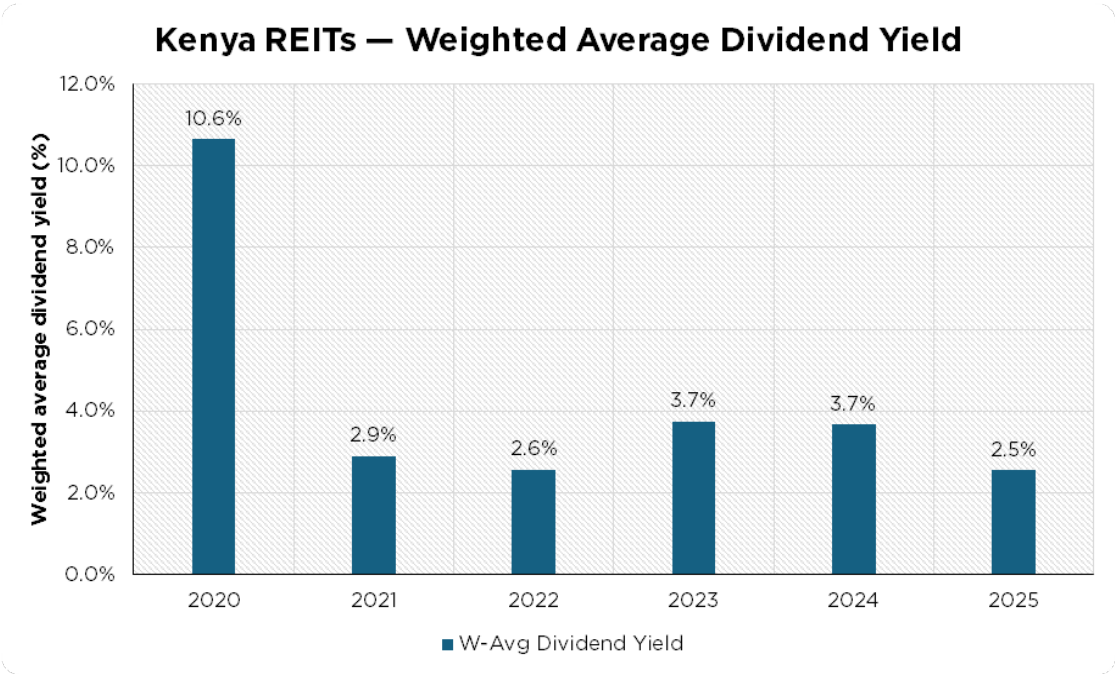
This chart shows the yield spread between Kenyan REITs and the 10-Year Government Bond, illustrating the relative income attractiveness of REITs versus risk-free assets.



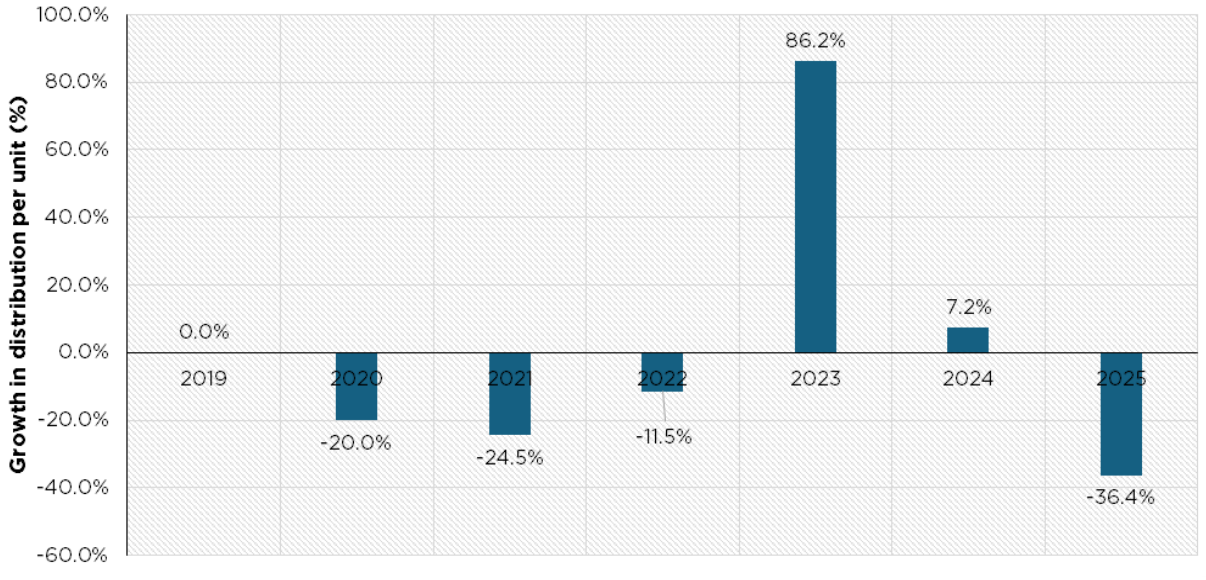
	2020	2021	2022	2023	2024	2025
Differential Yield (REIT dividend yield less 10Y bond yield)	-1%	-10%	-11%	-12%	-10%	-10%
Average differential, 2020 to 2026 H1	-9%	-9%	-9%	-9%	-9%	-9%

9. Kenyan REITs – Income and Distribution Trends

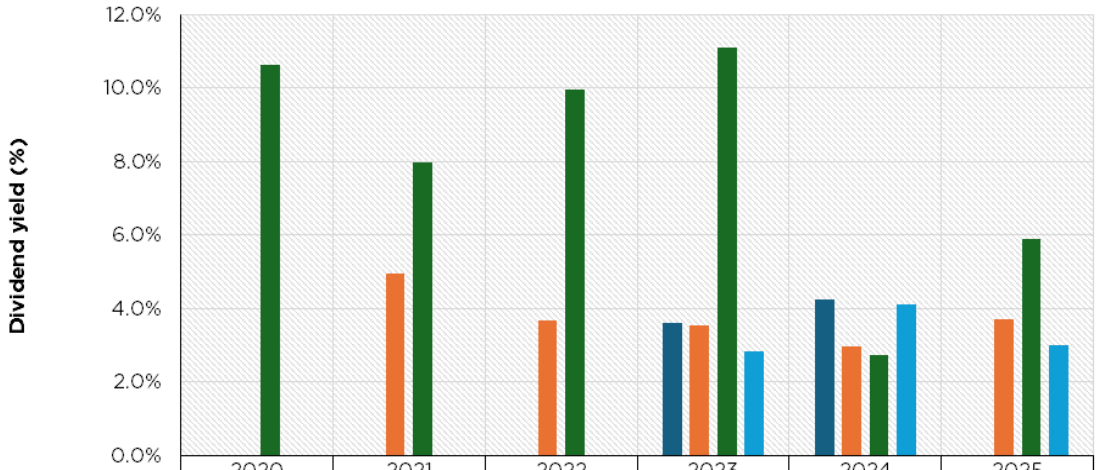
This chart tracks historical distribution levels and income stability, highlighting the role of REITs as income-generating investment vehicles.



Kenya REITs — Distribution Growth



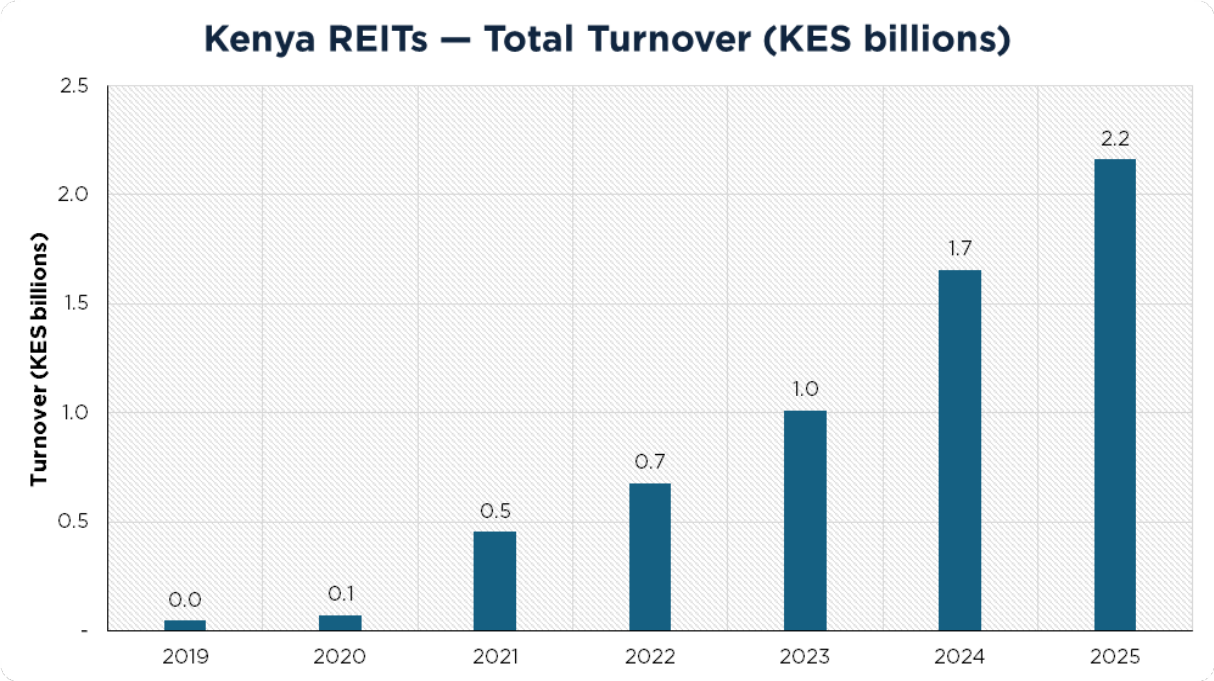
Kenya REITs — Dividend Yield by REIT



	2020	2021	2022	2023	2024	2025
Acorn D-REIT	0.0%	0.0%	0.0%	3.6%	4.3%	0.0%
Acorn I-REIT	0.0%	4.9%	3.7%	3.6%	3.0%	3.7%
Fahari	10.6%	8.0%	10.0%	11.1%	2.7%	5.9%
IMARA	0.0%	0.0%	0.0%	2.9%	4.1%	3.0%

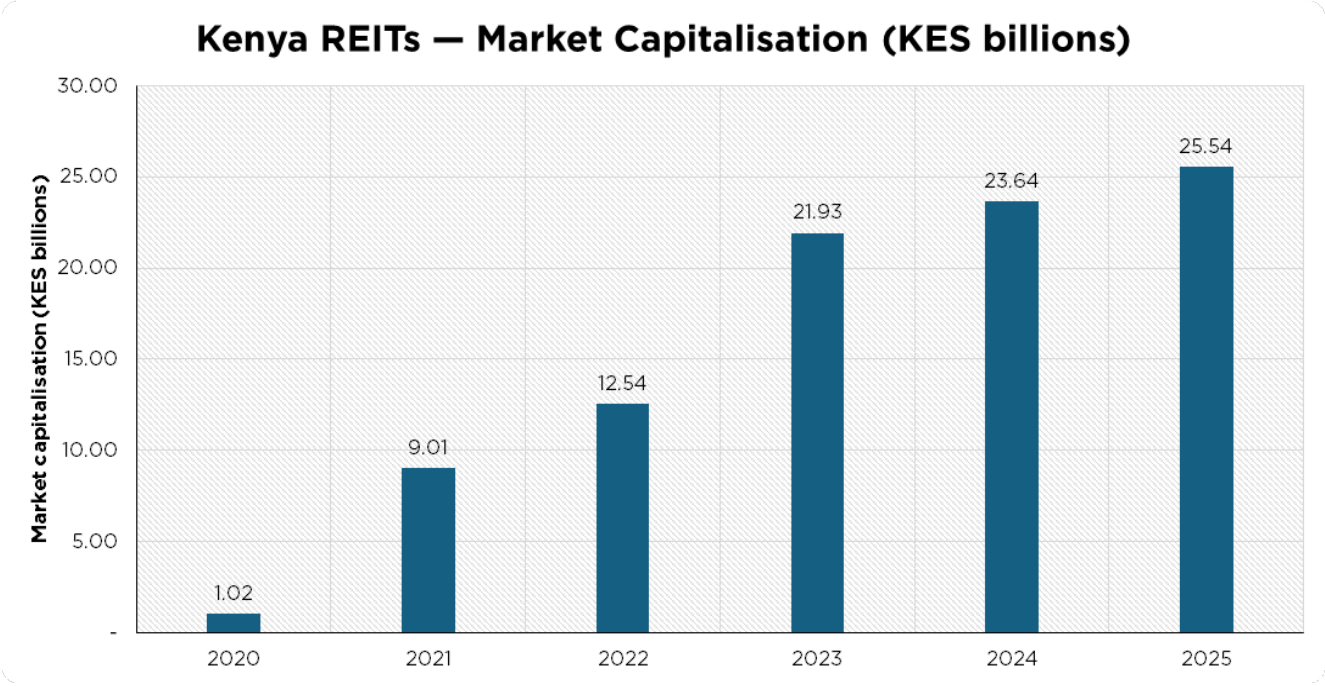
10. Kenyan REITs – Liquidity and Trading Activity

This chart presents trading volumes and turnover trends for Kenyan REITs, providing insight into market depth, liquidity, and investor participation.



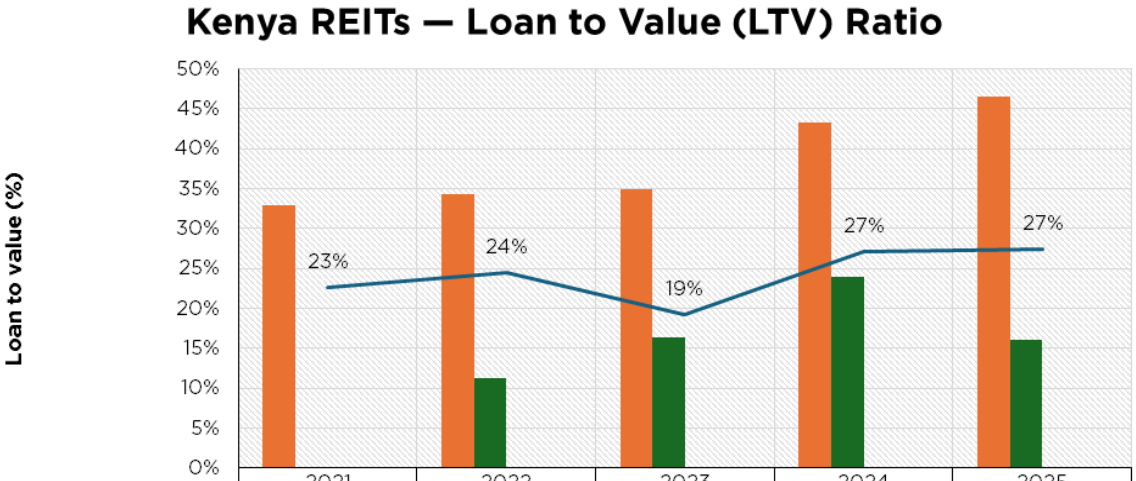
11. Market Capitalisation

This chart illustrates the evolution of total market capitalisation of listed Kenyan REITs, reflecting growth in market size, asset base, and investor confidence.



12. Leverage Ratios

The chart below analyses the leverage profiles and debt sustainability of the REITs, highlighting how different fund structures utilize borrowing to fuel growth and development.



	2021	2022	2023	2024	2025
Acorn D-REIT	33%	34%	35%	43%	47%
Acorn I-REIT	0%	11%	16%	24%	16%
ILAM Fahari	0%	0%	0%	0%	0%
LAPTRUST Imara	0%	0%	0%	0%	0%
W-Avg LTV	23%	24%	19%	27%	27%

13. Annexes

13.1 Data Source

1. **Acorn Holdings Africa** – Official investor updates and financial reports on D-REIT and I-REIT
2. **ILAM Fahari I-REIT** – Financial disclosures, historic NSE listings, USP migration updates
3. **LAPTrust Imara I-REIT** – REIT manager statements and market updates
4. **RAK Data Analysis Files** – Custom Excel datasets provided
5. **NSE** – REIT market cap, price, and trading volume data
6. **CBK** – Historical exchange rate: USD/KES
7. **Bloomberg** – Equities and fixed income data

13.2 Methodologies

Total Return – Methodology

The Kenya REIT Total Return Index measures annual investor returns by combining price movements and income distributions. Total return is calculated as annual price return plus dividend yield per unit, capturing both capital appreciation and income. The index is constructed using market capitalisation–weighted annual total returns, rebased to 1,000 in 2020, and updated annually based on the weighted average performance of eligible REITs.

Price Return – Methodology

The Kenya REIT Price Return Index tracks annual changes in listed REIT unit prices, excluding income distributions. The index is constructed using market capitalisation–weighted annual price returns, with a base value of 1,000 in 2020. REITs are included in the index from the first full calendar year after listing to ensure valid year-on-year performance comparisons. The index level is updated annually based on the weighted average price return of all eligible REITs.

Correlation Analysis – Methodology

Correlation analysis is based on Pearson Product-Moment correlation coefficients calculated using

monthly return data. The analysis measures the strength and direction of linear relationships between Kenyan REITs and selected equity and fixed income benchmarks.

Annualised Performance – Methodology

Annualised returns are calculated by compounding periodic returns over the relevant time horizon and converting them to an annual equivalent rate. This ensures consistency and comparability across different performance periods.

Rolling Distribution Growth – Methodology

Rolling 12-month distribution growth measures the percentage change in weighted average distributions paid over the most recent 12-month period, recalculated on a rolling basis to smooth seasonality and one-off distribution effects.

13.3 Glossary

Debt Sustainability

The ability of a REIT to manage and service its debt obligations without placing excessive pressure on income, distributions, or asset value.

Distribution

Income paid by a REIT to its unitholders, usually from rental income or other distributable earnings.

Distribution per Unit

The amount of income paid to investors for each REIT unit held.

Eligible REITs

REITs included in the index or analysis based on the applicable data availability and inclusion criteria.

Income Return

The portion of investor return generated from distributions paid by a REIT.

Leverage

The use of debt by a REIT to finance asset acquisitions, development, or portfolio growth.

Market Capitalisation

The total market value of a REIT, calculated as the unit price multiplied by the number of units in issue.

Net Asset Value

The value of a REIT's total assets less its total liabilities.

REIT Manager

The licensed entity responsible for managing the REIT's assets, operations, investment strategy, and reporting obligations.

Risk-Free Asset

An investment generally considered to have very low default risk, commonly represented by government securities such as Treasury bonds.

Trading Volume

The number or value of REIT units traded over a specified period.

Unitholder

An investor who owns units in a REIT.

13.4 Abbreviations

CBK — Central Bank of Kenya
D-REIT — Development Real Estate Investment Trust
FY — Financial Year
I-REIT — Income Real Estate Investment Trust
NASI — NSE All-Share Index
NSE — Nairobi Securities Exchange
RAK — REIT Association of Kenya
REIT — Real Estate Investment Trust
USP — Unquoted Securities Platform

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Kenya Seeks REIT Reforms to Attract Investor Capital

By Bryan Nzomo, The Kenya Wall Street



American Tower panel session on unlocking infrastructure REITs in Africa through policy, tax, and regulatory frameworks at the African Conference 2026

Africa's REIT sector is being positioned as a key bridge between domestic capital and large-scale infrastructure financing, with industry players calling for a more consistent tax framework to unlock its full potential.

The African REIT market remains relatively small by global standards, with a total market capitalization of approximately US$30 billion, around 95% of which is concentrated in South Africa. Kenya's REIT market is gradually evolving, with a current market cap of US$189.5 million.

During a three-day conference organized by the REITs Association of Kenya (RAK), industry participants noted that temporary exemptions on stamp duty and other transaction taxes had previously led to a modest increase in REIT activity. However, many of these incentives lapsed in 2022, slowing deal flow in the sector.

In Kenya, registered REITs are exempt from corporate income tax on qualifying property income, and transfers of property into REIT structures may qualify for VAT exemptions. Despite these incentives, gaps remain in the tax framework that continue to affect market activity.

Speakers at the event emphasized that a favourable framework—one that enhances stability and predictability in the sector—should lower transaction costs, protect investor returns, and align with global standards.

The REITs Association of Kenya and other market stakeholders have been actively advocating for the reinstatement of stamp duty and capital gain exemptions, noting that eliminating the 4% levy on property transfers within REIT structures would materially lower entry costs and improve the economics of listing infrastructure assets.

Conference discussions also stressed the importance of tax clarity, consistency, and harmonisation across African jurisdictions, noting that fragmented and uneven regulatory frameworks continue to constrain cross-border investment flows and limit the scalability of REIT markets. Participants highlighted that greater alignment of tax policies would reduce compliance

complexity, lower transaction costs for regional investors, and improve capital mobility, ultimately supporting deeper and more integrated real estate and infrastructure investment markets across the continent.

Defining Eligible Assets

The REIT market is also being constrained by regulatory ambiguity over what qualifies as an eligible asset. During a panel discussion, industry stakeholders warned that inconsistent interpretations risk narrowing the scope of investment. Current regulations draw distinctions between "real estate" in the legal sense and broader REIT-eligible assets, leaving room for differing views.

The uncertainty has created a cautious environment in which investors default to traditional property classes such as land and buildings, limiting innovation in sectors like digital and telecom infrastructure. The attending participants are now pushing for clearer policy direction to explicitly include non-traditional assets such as telecom towers and data centers, arguing that expanding the definition would align Africa with more developed REIT markets.

In jurisdictions like the United States, such infrastructure assets are already embedded within REIT frameworks, helping drive diversification and deepen investor participation. By contrast, Kenya and other African countries currently operate under a regime that leaves these categories in a regulatory grey area, limiting their inclusion in investment structures despite growing demand for digital infrastructure assets.

Beyond asset definitions, structural requirements such as minimum public float thresholds and investor participation rules are also shaping market development. Regional comparisons suggest that while such rules are designed to broaden ownership and deepen capital pools, they may be ill-suited to early-stage markets with limited investor bases. REIT stakeholders urged for a more flexible approach such as allowing privately held or closely held REITs in the initial phases could help build momentum before transitioning to wider public participation, offering a more gradual path toward a fully developed REIT ecosystem.

Reform the Structure

Kenya's REIT framework is also being weighed down by structural uncertainty, as market participants grapple with the legal complexity of trust-based vehicles that underpin the regime. Practitioners said that the concept of an "incorporated common law trust" remains poorly understood, creating confusion not only among lawyers and fund managers but also among potential investors.

"There is a lot of confusion around the law of trust in Kenya, and if it's not well understood by practitioners, then even the investment public finds it very difficult to understand," said Kimani Njane, Partner at Mboya Wang'ong'u and Waiyaki Advocates.



Panel discussion on regulatory and policy reform and REIT structures at the African Conference 2026

The ambiguity has contributed to challenges in strengthening trust in REIT structures, adding to existing tax-related considerations that have already moderated the pace of adoption. To address these issues, regulators and industry stakeholders are increasingly examining recent reforms in collective investment schemes as a potential reference point for improving clarity and strengthening the framework. Updated rules in 2023 expanded the range of permissible structures to include companies and limited liability partnerships, offering greater flexibility than the traditional unit trust model that REITs currently rely on.

Comparisons with more mature markets also shaped the debate. In jurisdictions such as the United States and the United Kingdom, REITs are typically structured as companies, a model credited with supporting deeper market growth and stronger investor participation. Meanwhile, hybrid structures pioneered in markets like Australia, known as "stapled securities", combine income-generating assets with development arms.

The direction of reform in Kenya appears to be shifting toward a corporate REIT model, a move industry executives say could address both governance and alignment concerns. A company structure would allow promoters to retain clearer strategic control while providing investors with more familiar oversight mechanisms such as boards and shareholder rights.

If combined with a more coherent tax framework, such changes could further momentum in REIT development, positioning them as an attractive and viable channel for mobilizing long-term capital flows into the country's property and infrastructure sectors.

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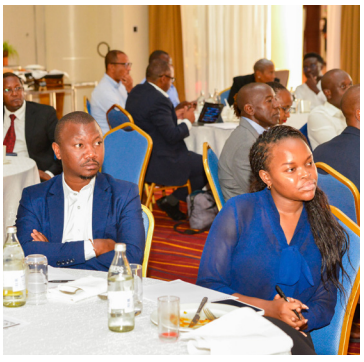














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