

**SHAPING KENYA'S REIT LANDSCAPE
THROUGH INNOVATIVE STRUCTURES,
MARKET INSIGHTS, AND INDUSTRY
DEVELOPMENT**



RAK Disclaimer

The REITs Association of Kenya (RAK) does not intend this publication to constitute investment, legal, or tax advice, nor should any content herein be construed as a solicitation or endorsement of any particular company, financial product, or strategy. Investors are advised to seek guidance from qualified investment, legal, or tax professionals when considering any securities or investment approaches referenced in this publication.

RAK expressly disclaims any liability for the accuracy, completeness, or timeliness of the information contained in this newsletter. Unless otherwise stated, all data presented pertains to publicly traded securities and reflects publicly available information as of the stated reporting dates. Any performance data — whether historical or hypothetical — should not be taken as indicative of future performance.

This publication is intended for informational and educational purposes only.

© 2026 REITs Association of Kenya. All rights reserved.

CONTENT

Welcome Note from the RAK Chairman

Contributing Authors:

- **Asset for unit swap, an attractive restructuring play for pension funds and insurance companies** by Gladys Ngugi, Viva Africa Consulting LLP & Crispus Kamau (STREAD)
- **Kenya REITs Chart Book 2026, June 2026 (H1 2026)** by Crispus Kamau (STREAD) & Barbra Rotich (ILAM Fahari I-REIT)

Updates from the RAK Secretariat:

- Gallery

Welcome Note from the RAK Chairman

Welcome to the 21st edition of the RAK Newsletter. This edition lands at a good moment: the market is deepening, the tax picture finally makes sense, and for once we have more good news than caveats.

Inside, two features worth your actual attention: a look at Asset for Unit Swap structures, which give pension funds and insurers a genuinely elegant way to unlock value from property portfolios via REITs — and our H1 2026 Chart Book, with the real performance data, for anyone who trusts numbers more than they trust a chairman with an opinion (wise policy, generally).

A New Chapter

Following our 7th AGM, RAK has a newly elected Board, and I'm honoured to take on the

Chairmanship. My thanks to the outgoing Board for the foundation they leave behind, and to the new one for signing up for what comes next.



Members at the Annual RAK 7th AGM

Our mandate for this term is easy to state and considerably harder to deliver: crowd in capital. Kenya doesn't lack REIT-ready assets or willing issuers — what we lack is enough institutional

capital confident enough to show up. That means real engagement with pension funds, insurers, fund managers and DFIs, on the actual barriers keeping them on the sidelines.

RAK Board Members



Mr. Geoffrey Odundo
Chairman Emeritus



Mr. Raghav Gandhi
Chairman



Mr. Frank Mwiti
Vice Chairman



Mr. Brian Muindi
Treasurer



Ms. Ruth Okal
Co-Treasurer



Mr. Peter Waiyaki
Secretary



Ms. Cynthia Mbaru
Board Member



Mr. Mathew Maina
Board Member



Mr. Crispus Kamau
Board Member



Mr. Alex Njage
Board Member



Mr. Paul Kavuma
Board Member

What's Been Happening

Busier than usual:

- **Tax reform, at last** — the Finance Act 2026 delivered Stamp Duty and Capital Gains Tax exemptions for REIT transactions. We asked; Treasury listened.
- **RAK Tax Breakfast Forum** — where industry leaders, policymakers and investors gathered to establish what “listened” actually means in practice.

- **Regional and global engagement** — the 13th EAPI Summit, the NAREIT Conference and Global REIT Alliance discussions in New York, and technical input to Ethiopia's REIT market validation workshop because apparently, we now export opinions as well as tea



A panel discussion during the REIT Tax Breakfast Forum.



Kenyan team with Ethiopian counterparts at the Ethiopian Securities Exchange Validation Workshop.



RAK Delegation at the Global REIT Alliance in New York

- **REIT Valuation & Reporting Training**, with ISK, sharpening standards across the market.



Members of the Institution of Surveyors of Kenya at the REIT Valuation and Reporting Trainin

- **Two new USD-denominated REITs** — TRIFIC Green USD I-REIT and the ALP Industrial REIT both launched, which is either two data points or the start of a trend; we're betting on trend
- **REIT A-Z Masterclass** — brought together market players for practical insights, shared experience and a deeper look at the opportunities shaping the REIT market.



Attendees at the REIT A-Z Masterclass

Looking Ahead

Still to come: Golf Day, capped off with the dinner that evening — because market development, it turns out, also runs on relationships, and occasionally a well-placed drive.

REITS
ASSOCIATION OF KENYA

20th
Nov 2026

RAK Golf Day 2026

**Swing.
Connect.
Celebrate.**

A day on the greens, an evening to remember.

Sigona Golf Club

Golf Tee Off: 7 am
Cocktail/Dinner Session: 7 pm

MEMBERS: KES 4,000
NON-MEMBERS: KES 5,000
NON-MEMBERS 4 Ball: KES 18,000

Rates are inclusive of midway snacks, welcome drinks, and dinner.

LIPA NA mpesa
Paybill Number **807804** Account Number **Company name**

Thank you, as always, for your continued trust and participation. It's the one-line item in this note that isn't up for negotiation.

Enjoy the read.

Raghav Gandhi

RAK Chairman
REITs Association of Kenya



ASSET FOR UNIT SWAP, AN ATTRACTIVE RESTRUCTURING PLAY FOR PENSION FUNDS AND INSURANCE COMPANIES

*By Gladys Ngugi, Senior Assistant Manager, Viva Africa Consulting LLP
and Crispus Kamau, Executive Director, Sterling Real Estate Advisory (STREAD)*



Kenya's retirement benefits and insurance sectors present a largely underutilised opportunity for the growth of Real Estate Investment Trusts (REITs), both as investment and asset holding vehicles.

There are currently over 1,000 licensed pension funds in Kenya. Pensions funds are governed by the Pensions Fund Act and are regulated by the Retirement Benefits Authority (RBA). As of last year, the pension industry was managing KES 2.83 trillion in assets. This represents one of the most significant pools of long-term institutional capital in the country. At present, only one pension fund has successfully established a REIT, the LAPTRUST IMARA I-REIT, which is notably the country's first pension scheme-sponsored and listed REIT.

In the insurance sector, there are currently 35 licensed general insurance companies and 22 life insurance companies in Kenya. The sector is governed by the Insurance Act and regulated by the Insurance Regulatory Authority (IRA). As at 2025, the insurance industry's asset base stood at approximately KES 1.4 trillion, underscoring its significance within Kenya's financial services landscape. Notwithstanding this scale, there is

currently no insurance sponsored REIT in Kenya. As such, the insurance sector remains a largely untapped source of capital for the REIT market.

A key consideration for both sectors is the regulatory investment framework. Pension funds are subject to RBA investment guidelines, which cap exposure to immovable property in Kenya and REITs (whether listed or unlisted) approved by the Capital Markets Authority (CMA) at 30% each of total assets. This creates a dual opportunity: pension schemes can invest directly in REITs as part of their portfolio allocation, while also using REIT structures to hold real estate assets more efficiently. Similarly, the Insurance (Investments Management) Guidelines prescribe that insurers are subject to concentration limits, with general insurers capped at 30% of total assets and life insurers at 15%. These thresholds still leave significant headroom for increased allocation to real estate through REIT structures.

The Finance Act, 2026 introduced tax incentives that significantly improve the commercial viability of REIT structures. The reinstatement of stamp duty exemption on instruments transferring a beneficial interest in property to a CMA authorised REIT

removes a major transactional cost that historically discouraged property transfers into REIT vehicles. In addition, the introduction of a Capital Gains Tax (CGT) exemption on the transfer of property to a REIT registered by the Commissioner eliminates another key tax friction. Together, these measures materially reduce the upfront cost of restructuring real estate assets and enhance the overall returns to investors.

Return behaviour reinforces the diversification case. Kenyan REITs delivered a positive total return in every period from 2021 to the first half of 2026, with the weakest full year outcome at 2.9% in 2025 and 2.7% in the six months to June 2026 (Table 3). On a like for like price only basis, the Kenya REITs price index outperformed the NSE All Share Index by 32.9 percentage points in 2022 and by 32.0 percentage points in 2023, the two years in which the NSE All Share Index fell over this period. Over 2021 to 2025, the Kenya REITs price index compounded at 7.1% a year against 4.2% for the NSE All Share Index, a stronger cumulative outcome achieved without a single negative year (Table 3). On a total return basis over the full 2020 to first half 2026 period, the Kenya REITs total return index annualised at 6.4%. Correlation of REIT returns with the NSE All Share Index was 0.13, with the NSE 20 Share Index 0.22, with the NSE Financial Index 0.24 and with sovereign bonds 0.08 (Table 2), which is the statistical basis for treating REIT units as a genuine diversifier within a pension or insurance portfolio.

Within this context, pension funds and insurance companies can adopt two primary strategies to leverage REITs.

The first is the asset for unit swap model. Under this approach, an institution transfers its existing immovable property portfolio into an established REIT in exchange for units. This enables the institution to retain economic exposure to the underlying assets while benefiting from enhanced liquidity, professional management, and improved governance associated with REIT structures. The CGT exemption ensures that such transfers can be undertaken without tax costs making the restructuring more efficient from a capital preservation perspective.

The second strategy involves the establishment of sponsor driven REITs. In this model, pension funds or insurance companies set up their own REITs either on their own or in collaboration with other institutional investors and inject their property portfolios into the vehicle. The stamp duty exemption applies to the acquisition of properties by the REIT, significantly lowering the cost of building the asset base.

Beyond tax efficiency, REIT structures offer several strategic advantages. They facilitate portfolio

diversification by enabling institutions to rebalance their exposure between direct property holdings and tradable securities. They also enhance liquidity, particularly for listed REITs, by converting traditionally illiquid real estate assets into units that can be traded. Furthermore, REITs impose higher standards of transparency, governance, and professional management, which can improve asset performance and investor confidence.

The fee question deserves a direct answer. A REIT layers manager, trustee and administration costs onto assets an institution could hold directly, so investment committees are right to ask whether professional management earns its keep. The most detailed evidence comes from CEM Benchmarking, which measures the realised net performance of the assets pension plan managers actually chose rather than index returns. Its 2026 study for Nareit, covering 462 public and private sector pension plans over the 26 years from 1998 to 2023, found that listed equity REITs returned 9.72% a year net of all fees against 7.79% for private real estate held by the same plans, a gap of 193 basis points, placing REITs fourth of the twelve asset classes examined. Its 2024 study, covering more than 350 mainly defined benefit investors over 1998 to 2021, tested the fee question directly: measured against each investor's own benchmark, actively managed REIT portfolios added 0.32% a year after fees while private real estate portfolios gave up 0.68%, and 55% of REIT portfolios beat their benchmark after fees against 44% of private portfolios. In a typical year, the median net return was 11.40% for REITs against 8.95% for private real estate. Closer to home, MSCI's South African annual index shows listed property ahead of directly held property on an annualised basis since 1995 and since 2000, although with materially higher volatility, while direct property returns remain income led, with a 12.0% all property total return in 2025 made up of 8.5% income return and 3.3% capital growth, and a 10 year annualised total return of 8.3%. These are mature market results and Kenya's REIT sector is young, so they are evidence on the structure rather than a forecast for this market. They do, however, answer the premise behind the cost objection: over long horizons, the fee layer has not been a net drag.

The liquidity argument is now supported by traded market data from the Nairobi Securities Exchange (NSE), which is the source of all turnover and trading figures set out in this section. Total REIT turnover has grown from KES 454 million in 2021 to KES 2.16 billion in 2025, a compound annual growth rate of 47.7% and a 4.8 times increase over four years (Figure 1 and Table 1). Trading has also broadened (Table 1): distinct trading days on the Unquoted Securities Platform (USP) increased from 5 in 2021 to 11 in 2025, active trading months from 5 to 10, and the median trade size fell from

KES 25.0 million to KES 14.9 million, and further to KES 3.0 million in the first half of 2026, indicating more frequent and more genuinely price forming activity. In the first half of 2026, USP turnover was KES 59.9 million, or 10.2% of total turnover, against KES 217.4 million and 10.1% for the whole of 2025 (Figures 2 and 3). Total market turnover of KES 588 million in the half year annualises to KES 1.18 billion, some 45.6% below the 2025 full year figure, so the platform mix is broadly unchanged against a materially softer headline turnover base. Institutions should nonetheless note that headline turnover remains concentrated: LAPTRUST Imara block trades accounted for 89.9% of turnover in 2025 and 85.1% in the first half of 2026, so activity in the continuous market is the more reliable measure of tradability.

From a market development perspective, increased participation by pension funds and insurance companies could play a catalytic role in deepening Kenya's REIT market. Their scale and credibility can attract additional institutional and retail investors, improve market liquidity, and support the growth of both Development REITs (D-REITs) and Income REITs (I-REITs). In particular, D-REITs could benefit from long-term institutional capital to finance large-scale real estate developments, including affordable housing, commercial real estate, and

infrastructure-linked projects.

In conclusion, the convergence of strong institutional capital, supportive regulatory frameworks, and favourable tax reforms creates a unique window of opportunity for pension funds and insurance companies to actively participate in Kenya's REIT market. Whether through asset for unit swaps or the establishment of sponsor-led REITs, these institutions are well positioned to unlock value from existing real estate holdings, enhance portfolio efficiency, and contribute to the overall catalytic growth and maturity of the REIT ecosystem in Kenya.

The REITs Association of Kenya (RAK) stands ready to support prospective issuers. Through its REIT issuance toolkit and incubator programme, RAK works alongside pension schemes, insurers and their advisers from initial feasibility and structuring, through trustee and manager selection and regulatory engagement with the Capital Markets Authority, to authorisation and issuance. Institutions considering either an asset for unit swap or a sponsor-led REIT are encouraged to engage RAK early so that the process can be run efficiently and with the benefit of precedent from transactions already completed in this market. ■

ANNEX: REIT MARKET LIQUIDITY AND RETURN DATA (FOR REFERENCE)

Table 1: REIT market turnover and trading depth, 2021 to H1 2026

Metric	2021	2022	2023	2024	2025	2026 H1
Total market turnover (KES m)	454.0	677.9	1,010.2	1,654.7	2,162.4	587.8
Total turnover, YoY growth	n/a	+49.3%	+49.0%	+63.8%	+30.7%	n/a
USP turnover (KES m)	387.3	648.0	162.0	103.0	217.4	59.9
USP share of total turnover	85.3%	95.6%	16.0%	6.2%	10.1%	10.2%
USP trades executed (count)	10	27	10	9	13	10

Source: NSE.

Table 2: Correlation of REIT total returns with other Kenyan asset classes, 2021 to H1 2026

	NASI	NSE 20	NSE Manufacturing	NSE Financial	S&P Kenya Sovereign Bond Index ²	Kenyan REITs
NASI	1.000	0.836	0.587	0.807	0.132	0.135
NSE 20	0.836	1.000	0.567	0.874	0.105	0.221
NSE Manufacturing	0.587	0.567	1.000	0.540	0.015	0.228
NSE Financial	0.807	0.874	0.540	1.000	0.147	0.244
S&P Kenya Sovereign Bond Index	0.132	0.105	0.015	0.147	1.000	0.080
Kenyan REITs	0.135	0.221	0.228	0.244	0.080	1.000

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

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

Table 3: Kenya REITs price and total returns versus the NSE All Share Index and the 10 year bond yield, 2020 FY to 2026 H1

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%
2026 H1	4.7%	20.2%	2.7%	12.9%

Source: Kenya REIT Chart Book HY 2026



Kenya REITs Chart Book 2026

June 2026 (H1 2026)

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– H1 2026 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 year. This applies to Acorn I-REIT, Acorn D-REIT, and ILAM Fahari I-REIT.

1.2 Note on Re-issuance: NSE All-Share Index (NASI) Returns Update Note

The NSE All-Share Index (NASI) returns have been updated: 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%
2026 H1	4.7%	20.2%	2.7%	12.9%

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 H1 2026. 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.

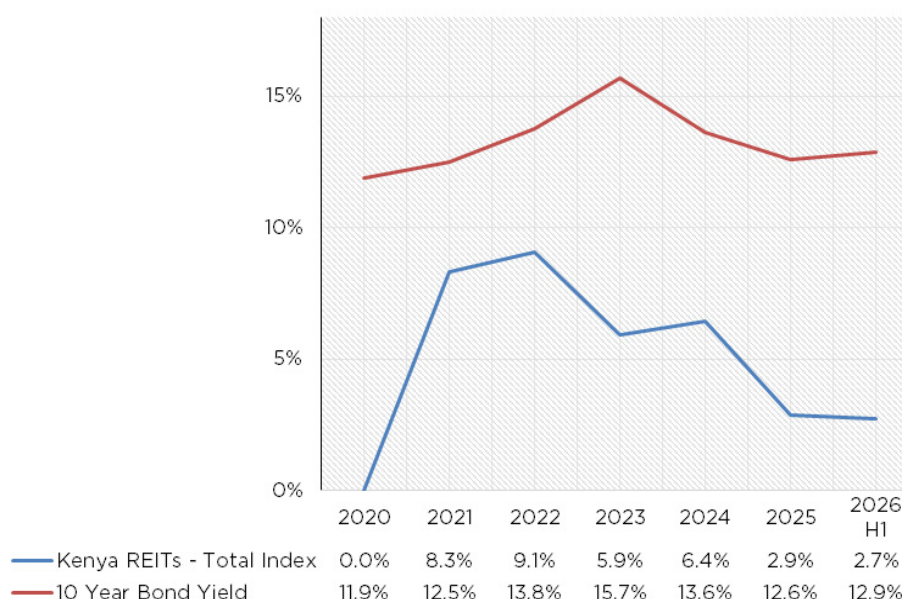
Price Index Comparison - Kenya REIT vs NASI



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

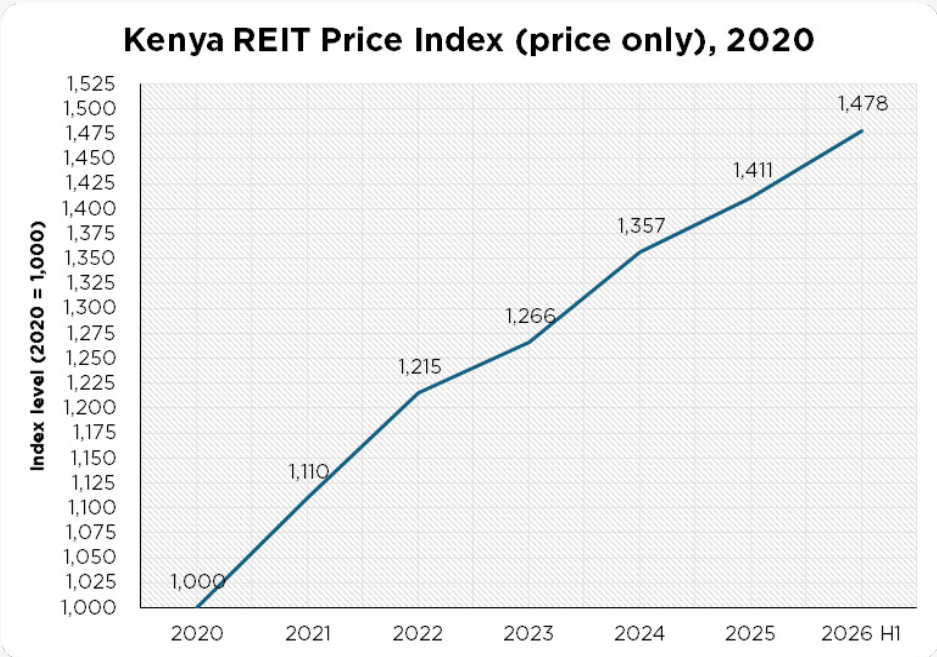
This chart presents a comparison between the Kenyan REIT total return index and the 10-year government bond yield over the period 2021 to H1 2026. It shows the indexed annual return profile of listed Kenyan REITs alongside prevailing long-term risk-free yields, providing a visual reference of their relative movement over time.

Total Return Comparison - REIT Index and 10 Year Bond Yield



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 H1 2026



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.

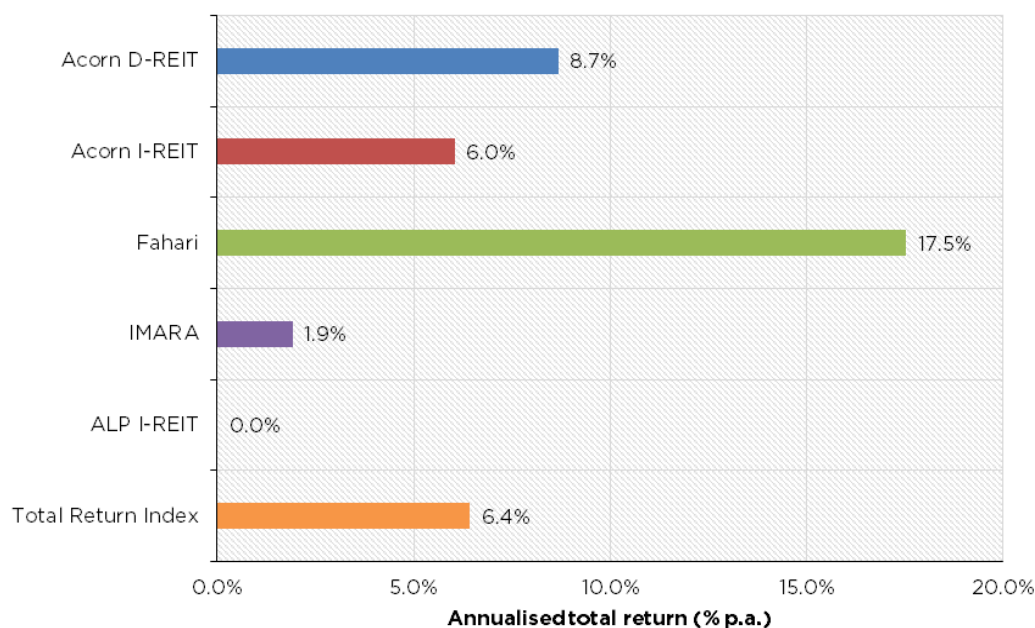
	NASI	NSE 20	NSE Manufacturing	NSE Financial	S&P Kenya Sovereign Bond Index	Kenyan REITs
NASI	1.000	0.836	0.587	0.807	0.132	0.135
NSE 20	0.836	1.000	0.567	0.874	0.105	0.221
NSE Manufacturing	0.587	0.567	1.000	0.540	0.015	0.228
NSE Financial	0.807	0.874	0.540	1.000	0.147	0.244
S&P Kenya Sovereign Bond Index	0.132	0.105	0.015	0.147	1.000	0.080
Kenyan REITs	0.135	0.221	0.228	0.244	0.080	1.000

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

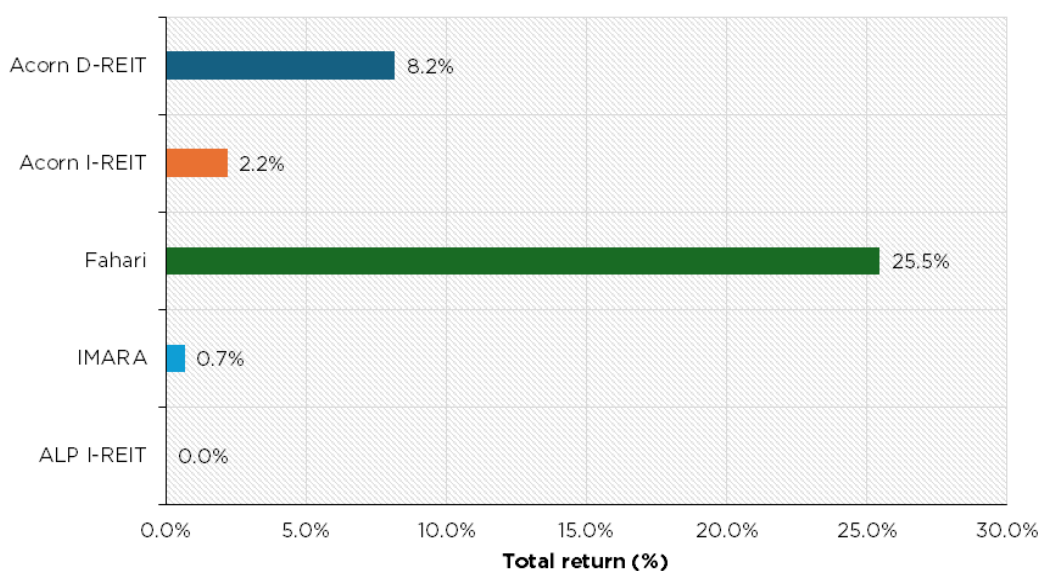
6. Kenyan REITs – Short-, Medium- and Long-Term Performance

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

Annualised Total Return by REIT – 2020 to 30 June 2026 (5.5 years)

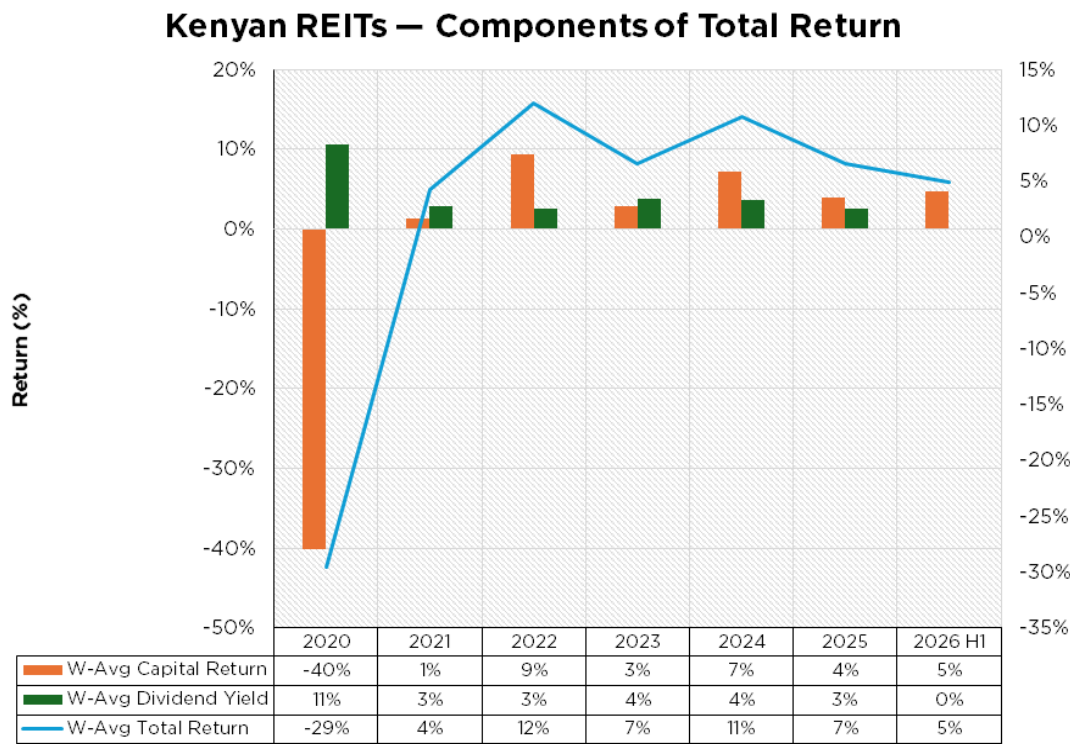


Total Return by REIT – six months to 30 June 2026



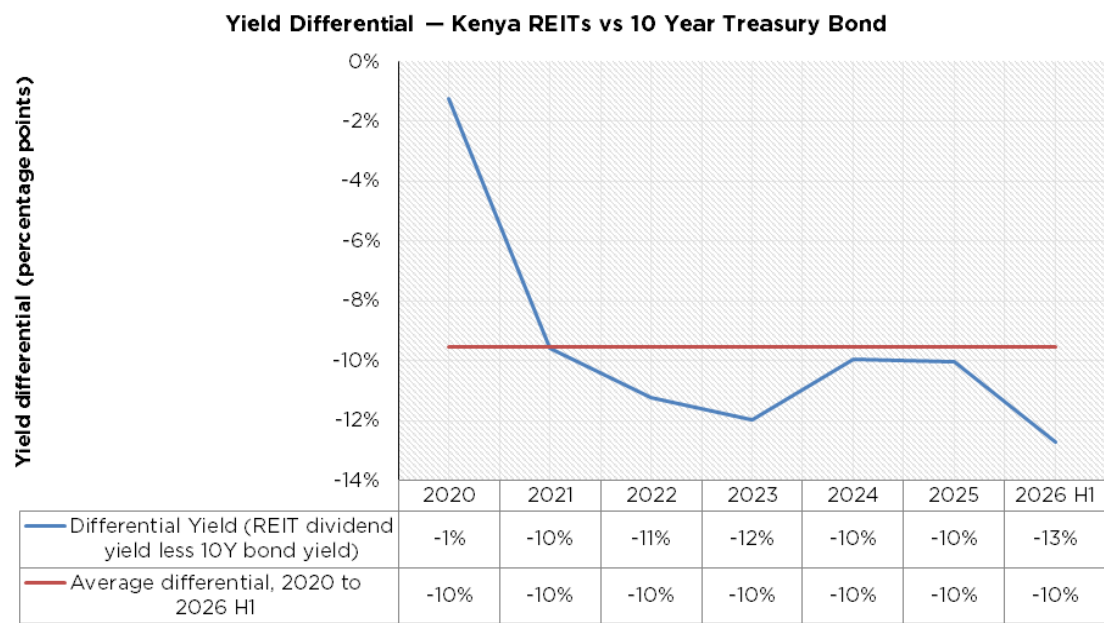
7. Kenyan REITs - annual return components

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



8. Yield Differential (REIT vs 10 Year Treasury Bond)

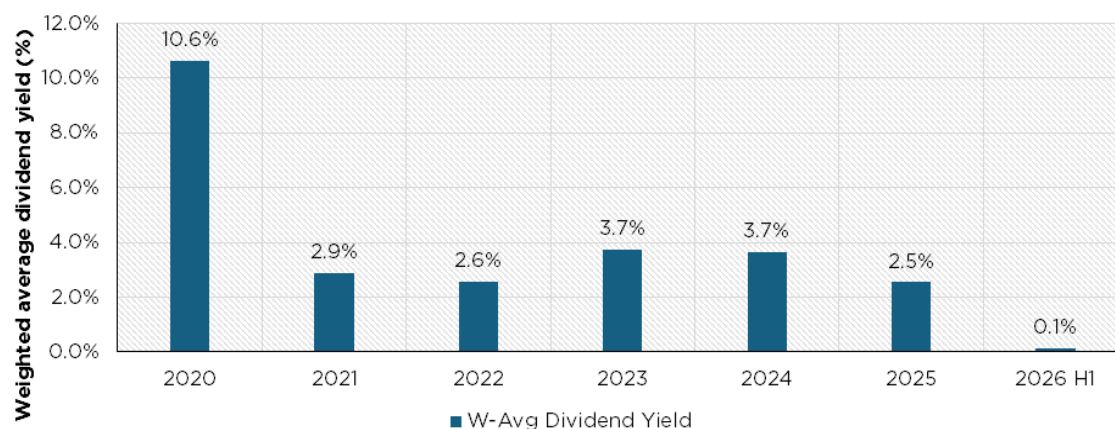
This chart shows the yield spread between Kenyan REITs and the 10-Year Government Bond, illustrating the relative income attractiveness of REITs versus risk-free assets.



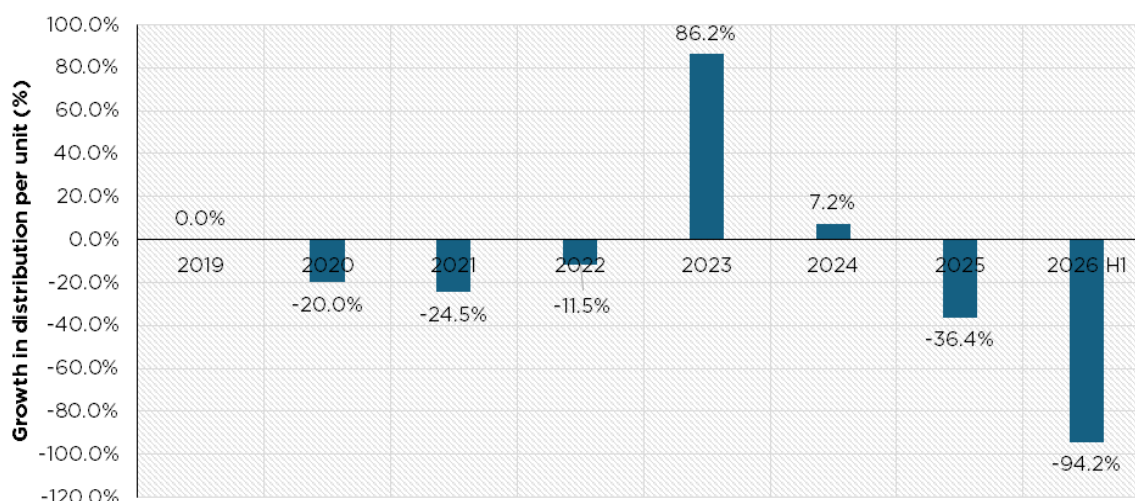
9. Kenyan REITs – Income and Distribution Trends

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

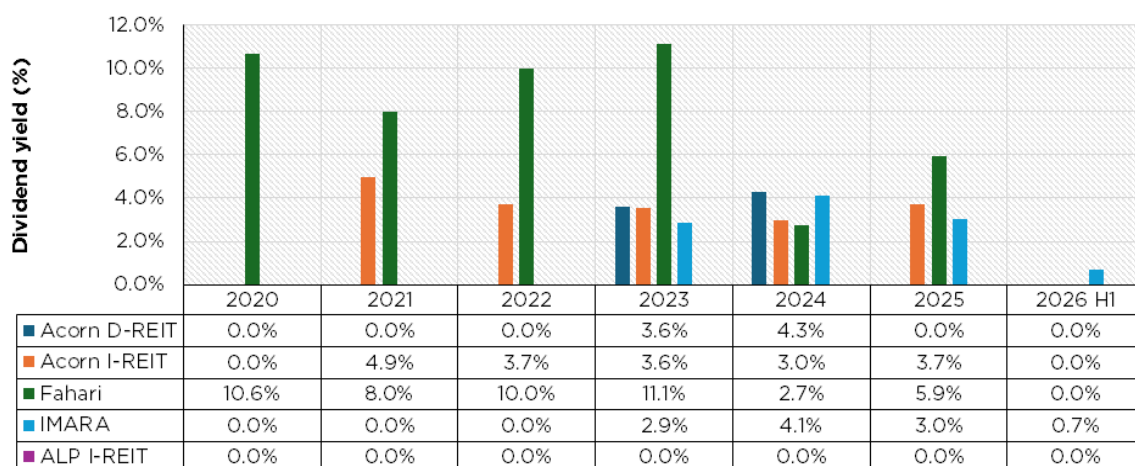
Kenya REITs – Weighted Average Dividend Yield (2026 H1 is six months to 30 June)



Kenya REITs – Distribution Growth

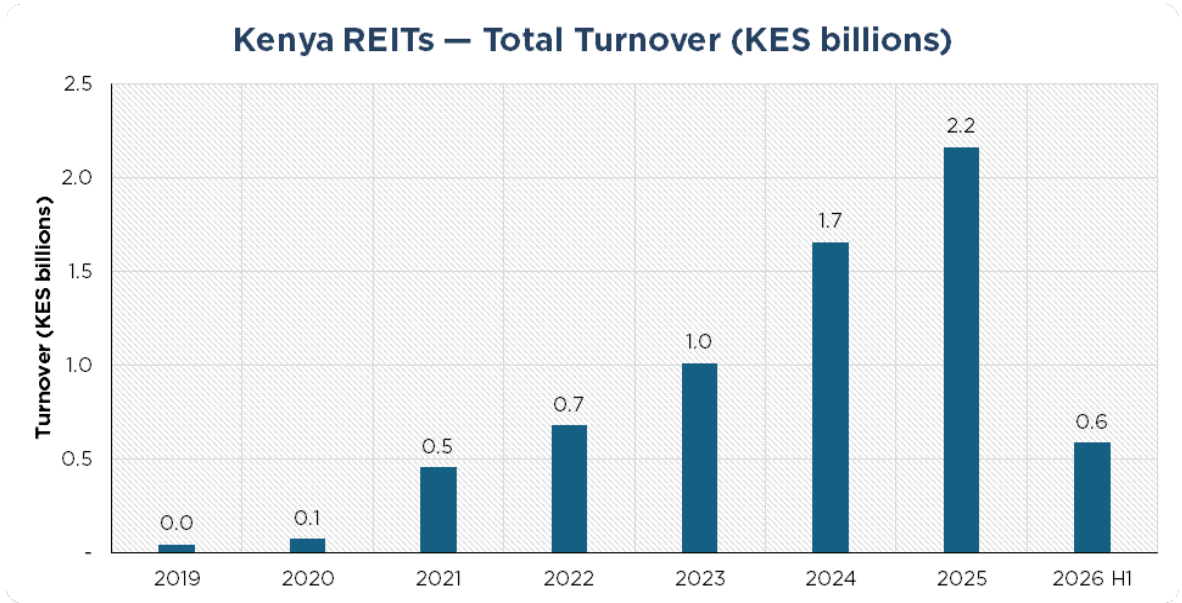


Kenya REITs – Dividend Yield by REIT



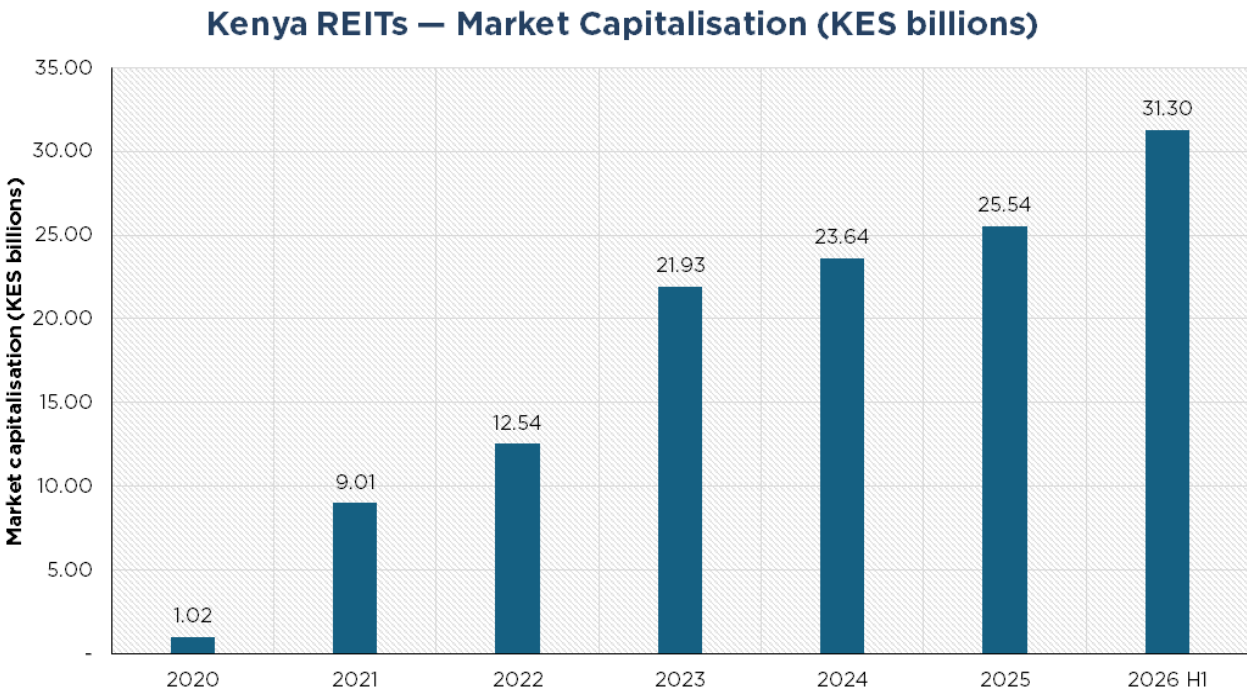
10. Kenyan REITs – Liquidity and Trading Activity

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



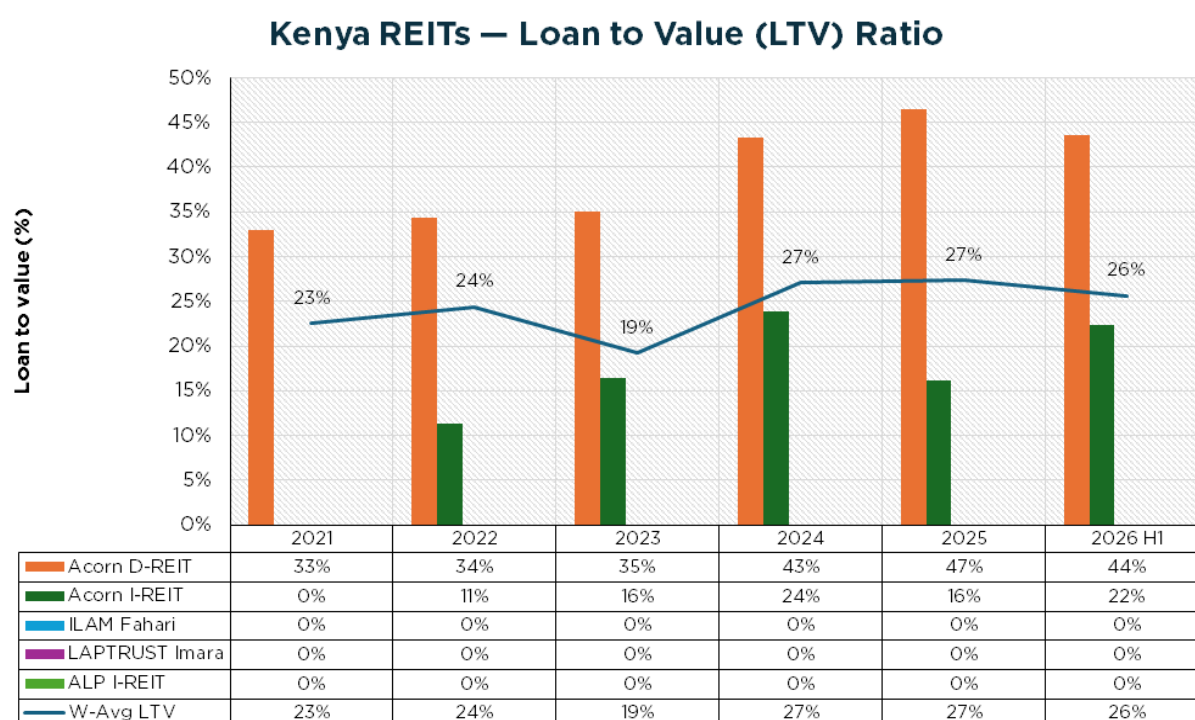
11. Market Capitalisation

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.



13. Annexes

13.1 Data Source

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



(+254) 0111 045 600
(+254) (0)723153219
info@sterlingreit.co.ke
sterlingreit.co.ke



+254 (0) 20 2750000
Mobile: 0719 071000 | 0730 151000
Contact Centre: 0719 071999
ilamreit@icedlion.com
ilamfahariireit.com

Gallery



RAK Secretariat

The Exchange, 55 Westlands Road
P. O. BOX 43633 – 00100 (GPO) Nairobi, Kenya

Tel: +254 (020) 283 1000

Email: raksecretariat@nse.co.ke • Website: www.rak.co.ke

 @REITSKenya •  REITS Association of Kenya