



REITS Association of Kenya Information Guide

About REITS Association of Kenya

REITS Association of Kenya (RAK) was formed in November 2017 by players in the Real Estate and Capital Markets industries to act as the representative body for REITs in Kenya. The Association aims to promote the growth of REITs in Kenya in the following ways:

- Establishing a framework for the development of the industry and creating forums for potential issuers, investors and regulators to engage.
- Creating partnerships with other REITS Associations around the world especially in more developed markets to catalyze knowledge transfer and learning experiences.
- To engage government and regulators on matters facing REITS including tax harmonization and other incentives.
- To educate the market about the long term benefits of investing in REITS.

RAK Milestones

- ❖ Signing of a Memorandum of Understanding with National Association of Real Estate Investment Trusts (NAREIT) in July 2018.
- ❖ Hosting of the inaugural REITs Conference in September 2018, which attracted over 250 delegates from various sectors including developers, investment banks, advisors, fund managers, trustees, commercial banks, insurance companies, pension funds, administrators and development finance institutions.
- ❖ Formation of Membership and Events Sub - Committees and Policy, Research and Publication's Sub-Committee to champion the Association's goals.
- ❖ Recognition by the regulatory bodies including Capital Markets Authority and the Retirement Benefits Authority as a formal representative of the REITs industry.
- ❖ Partnering with industry organizers such as API Events to push the REITs agenda during the East Africa Property Investment Summit.
- ❖ Lobbying the government for exemption of taxation of REIT investee companies

Benefits of REITS to an Issuer.

- Undergo a guided incubation process supported by RAK.
- Tax exemptions, including exemption from Income Tax, Capital Gains Tax and Stamp Duty.
- Access to new capital makes financing developments easier and hence reduces the interest rates for properties.
- Sharing of risks by bringing other investors on board.

Benefits of REITS to an Investor.

- Exposure to a wide variety of expertly managed properties.
- Regular income stream with lease agreements which increase/ grow on an annual basis
- Well-regulated and subject to the REIT legislation particular to the country in which the company is incorporated.
- Investors may gain exposure to immovable property with lower initial outlays.
- Exemption from Capital Gains Tax (CGT) in respect of the disposal of its immovable property shares in another REIT or shares in a controlled property company.
- Shareholders who sell their units in REITs listed on the Nairobi Securities Exchange (NSE) do not pay CGT or stamp duty.
- The unit price of a listed REIT is determined by market forces (demand and supply) and is visible to the public.

Membership

RAKs membership is open to Corporates, Associations and Individuals.

Corporate membership is open to any incorporated company, partnership, government agency or other body/person involved in any of the following business areas: real estate investment trust, property development, real estate investment, investment banking, REIT trusteeship, REIT management, REIT promotion, fund management, stock brokerage, commercial banks, institutional investors, insurance companies, SACCOs, financial institutions, pension funds, Professional Firms/Advisory Service Providers, industry suppliers, Government agencies and parastatals or securities exchanges.

Charges: KES. 100,000

Association membership is open to any organization, alliance, coalition or other association dealing in any of the above business categories.

Charges: KES. 50,000

Individual membership is open to any individual, above the age of 18 years, doing business in the REITs sub sector and the real estate development industry in Kenya or any other country as permissible by the RAK committee.

Charges: KES. 10,000

Benefits of Membership

- Mutual advocacy through engagement with policy makers, regulators and government bodies to promote and protect members' best interests.
- Gain support and guidance on new rules and regulations, industry standards, best practices and industry benchmarks.
- Participate in the investor outreach programs to educate and sensitize industry stakeholders on REITs and real estate investments as part of a well-diversified investment portfolio.

- Increased visibility and exposure through a collective voice for REITs and public real estate funds in the market place with investors, developers and the public.
- Access valuable tools pertaining to the global REIT industry policies, financial issues and sustainability in the long term.
- Free direct access to research and industry information through reports, analysis and publications providing the latest trends in the industry.
- Participate and contribute to valuable knowledge – sharing networking events and opportunities by RAK or in partnership with other industry players both local and international.
- Enjoy member discounted rates on RAK events and advertising opportunities.

How to Apply For Membership:

1. Fill in the RAK membership application form
2. Attach a copy of Company Certificate of Incorporation or Registration. Individuals must provide a copy of their Identification Card
3. Pay the applicable membership fee

For more information on how to join RAK, kindly contact the **Senior Administrator, Wendy Owade** through the telephone number **020 283 1000** by email **raksecretariat@nse.co.ke**.

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