REITS ASSOCIATION OF KENYA



Kenya REITs

Chart Book | 2025 H1

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ILAM FAHARI I-REIT

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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 and independently reviewed by the **Nairobi Securities Exchange (NSE)** by Bryan Nthiga Business development manager and the REIT Association of Kenya (RAK).



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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.

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

3. Performance

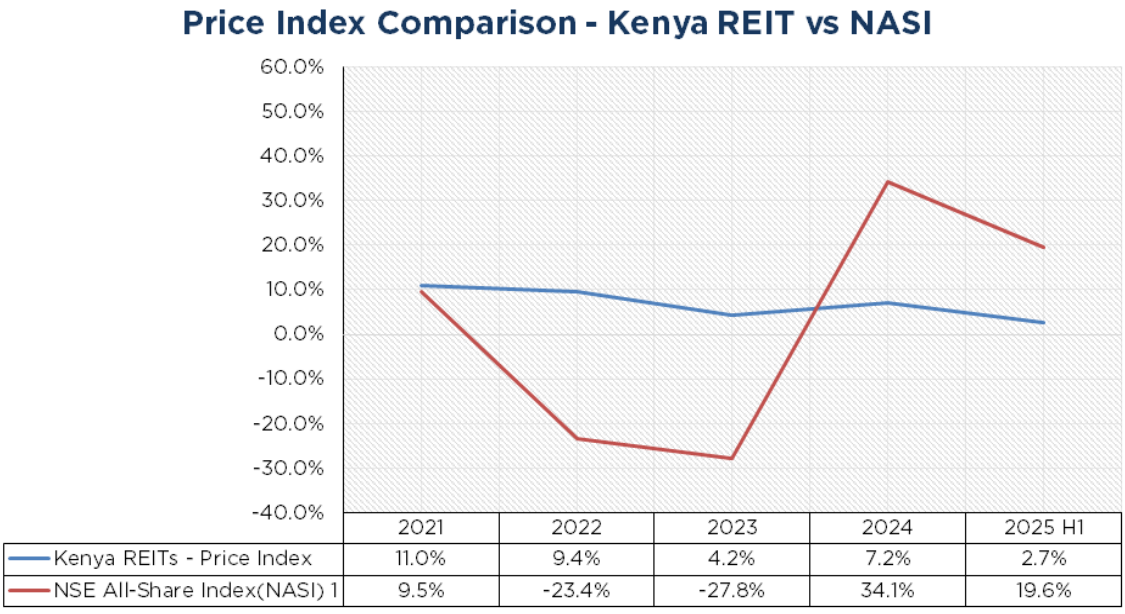
This table summarises the annual performance of Kenyan REITs relative to the NSE All-Share Index and the 10-Year Government Bond yield, highlighting comparative returns across property, equities, and fixed income over the period.

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 H1	2.7%	19.6%	-0.5%	12.4%

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

4. Return Indexes Comparison

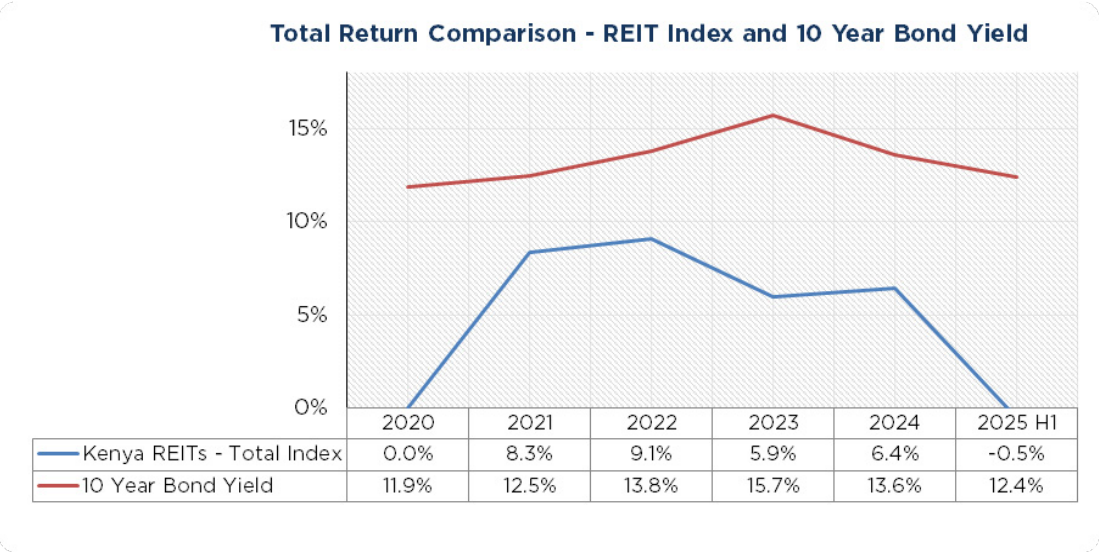
This chart compares the price index movements of listed Kenyan REITs against the NSE All-Share Index (NASI) over the period 2021 to H1 2025. It presents the indexed price trends for both asset classes on a common percentage basis, allowing for a clear visual comparison of how REIT prices and the broader equity market have moved over time.



	2021	2022	2023	2024	2025 H1
Kenya REITs - Price Index	11.0%	9.4%	4.2%	7.2%	2.7%
NSE All-Share Index(NASI) 1	9.5%	-23.4%	-27.8%	34.1%	19.6%

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

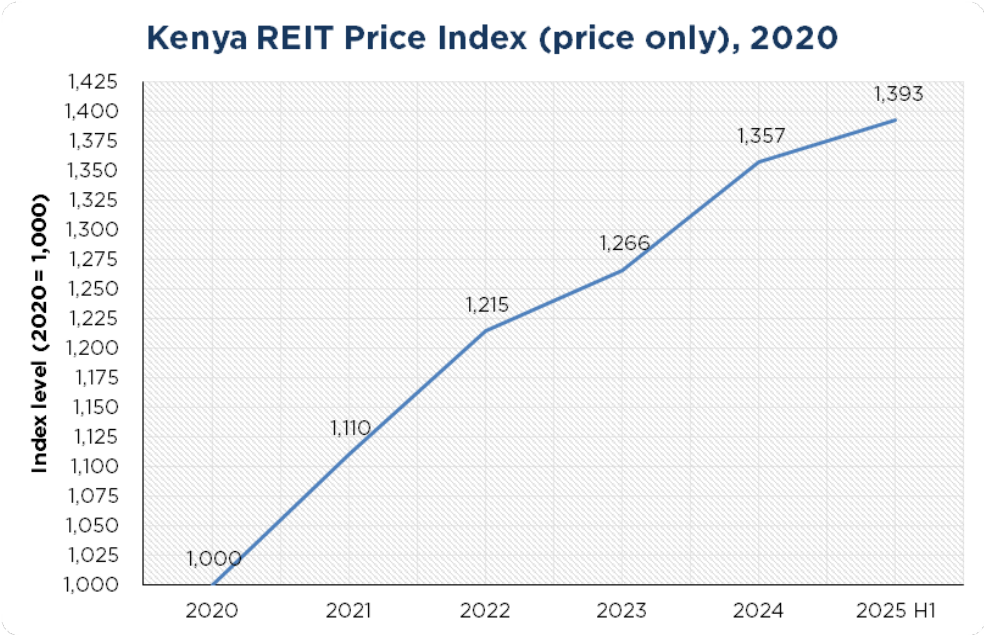
This chart presents a comparison between the Kenyan REIT total return index and the 10-year government bond yield over the period 2021 to H1 2025. It shows the indexed annual return profile of listed Kenyan REITs alongside prevailing long-term risk-free yields, providing a visual reference of their relative movement over time.



	2020	2021	2022	2023	2024	2025 H1
Kenya REITs - Total Index	0.0%	8.3%	9.1%	5.9%	6.4%	-0.5%
10 Year Bond Yield	11.9%	12.5%	13.8%	15.7%	13.6%	12.4%

5 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.



6. 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.

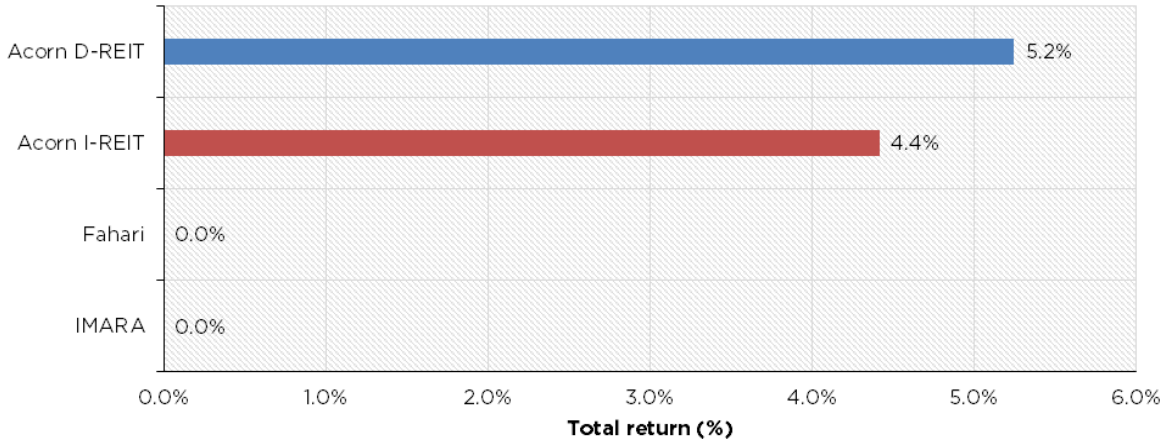
	NASI	NSE 20	NSE Manufacturing	NSE Financial	S&P Kenya Bond Index[2]	Kenyan REITs
NASI	1.00	0.82	0.59	0.79	0.11	0.14
NSE 20	0.82	1.00	0.57	0.86	0.06	0.23
NSE Manufacturing	0.59	0.57	1.00	0.53	-0.01	0.22
NSE Financial	0.79	0.86	0.53	1.00	0.12	0.25
S&P Kenya Bond Index	0.11	0.06	-0.01	0.12	1.00	0.09
Kenyan REITs	0.14	0.23	0.22	0.25	0.09	1.00

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

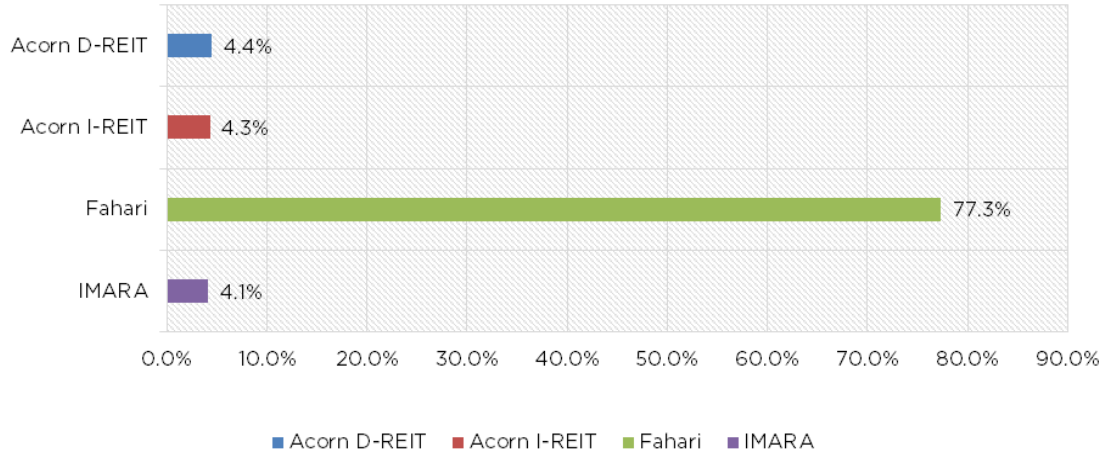
7. Kenyan REITs – Short-, Medium- and Long-Term Performance

This chart compares Kenyan Total REIT performance across different investment horizons, highlighting consistency, cyclicality, and resilience over time.

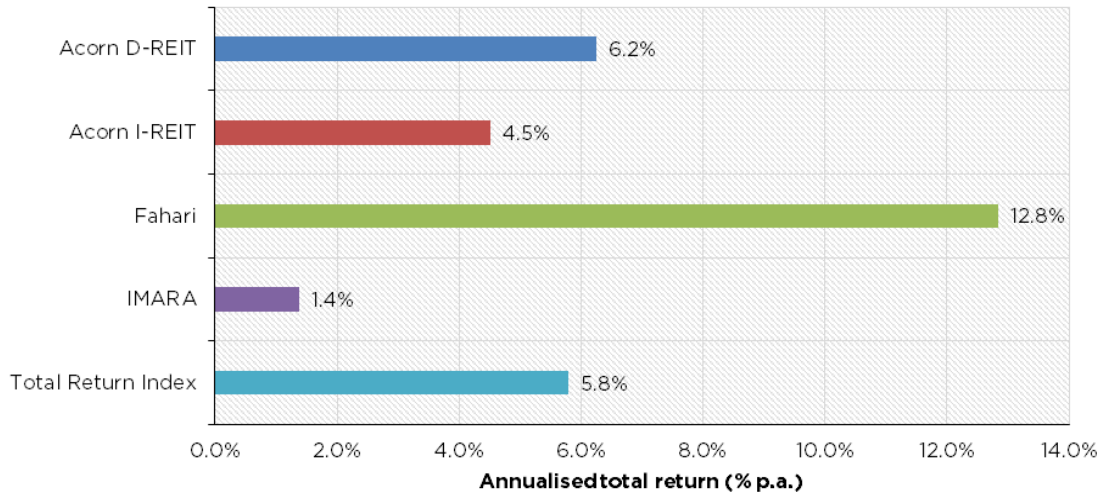
Total Return by REIT — 6 months to 30 June 2025



12 month performance to 31 December 2024

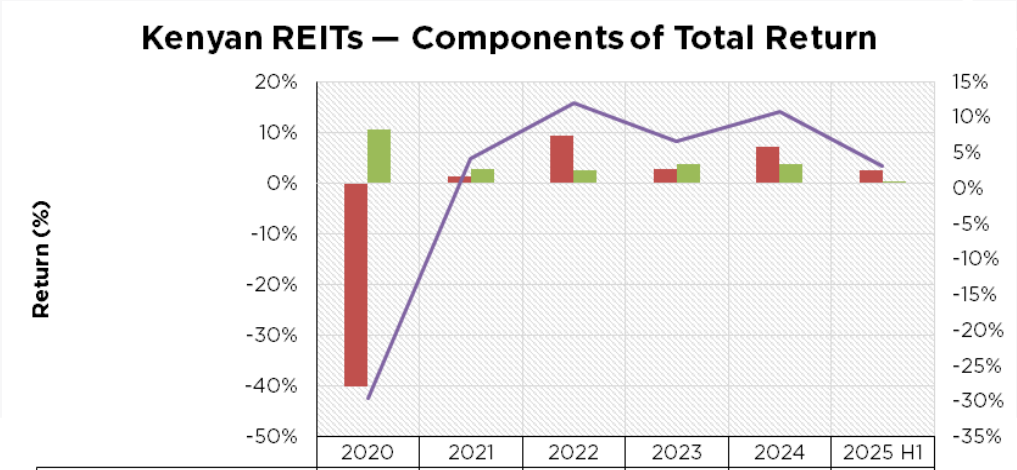


Annualised Total Return by REIT — 2020 to 30 June 2025 (4.5 years)



8. Kenyan REITs - annual return components

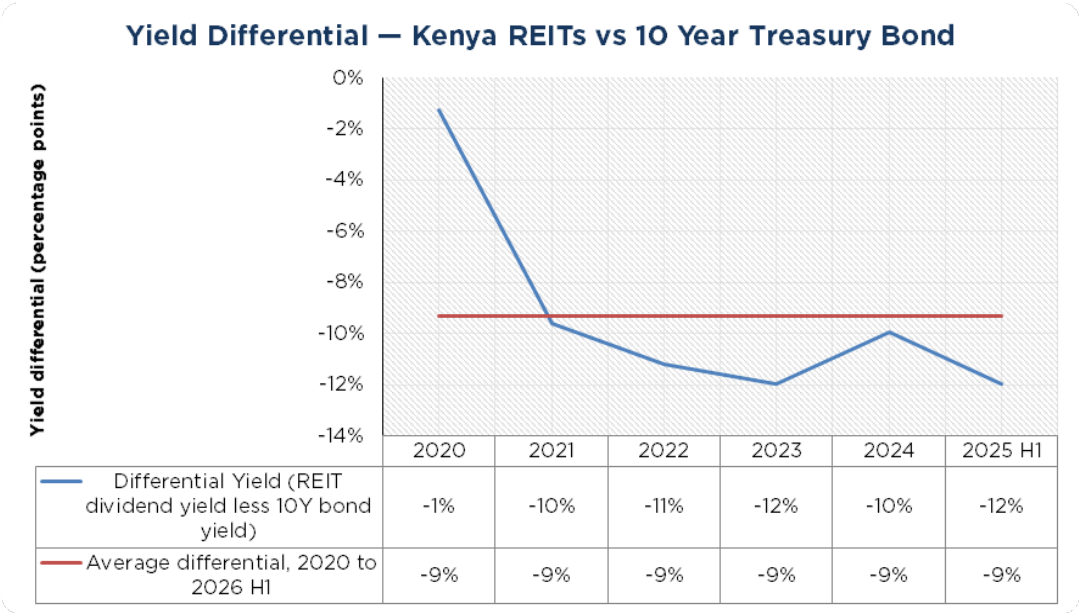
This chart decomposes annual REIT returns into income and price components, providing insight into the primary drivers of investor returns.



	2020	2021	2022	2023	2024	2025 H1
W-Avg Capital Return	-40%	1%	9%	3%	7%	3%
W-Avg Dividend Yield	11%	3%	3%	4%	4%	0%
W-Avg Total Return	-29%	4%	12%	7%	11%	3%

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

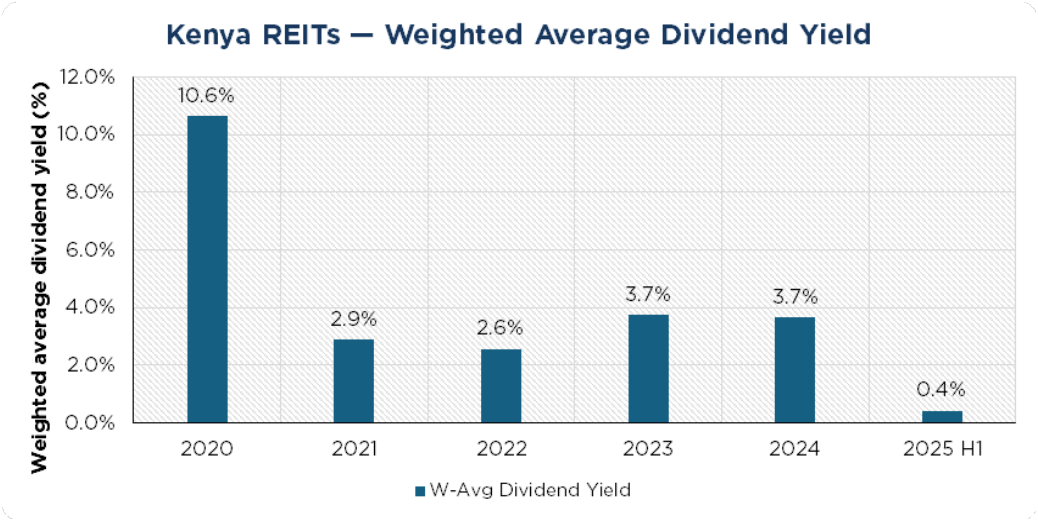
This chart shows the yield spread between Kenyan REITs and the 10-Year Government Bond, illustrating the relative income attractiveness of REITs versus risk-free assets.

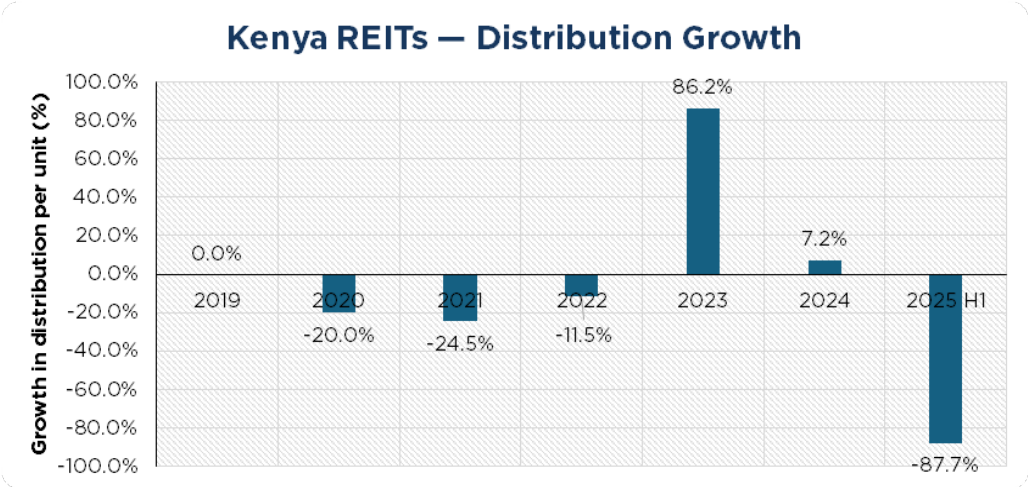


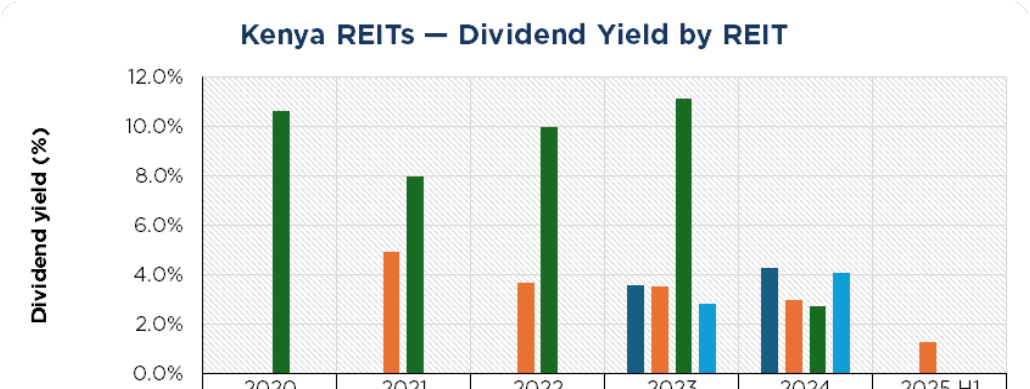
	2020	2021	2022	2023	2024	2025 H1
Differential Yield (REIT dividend yield less 10Y bond yield)	-1%	-10%	-11%	-12%	-10%	-12%
Average differential, 2020 to 2026 H1	-9%	-9%	-9%	-9%	-9%	-9%

10. 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.



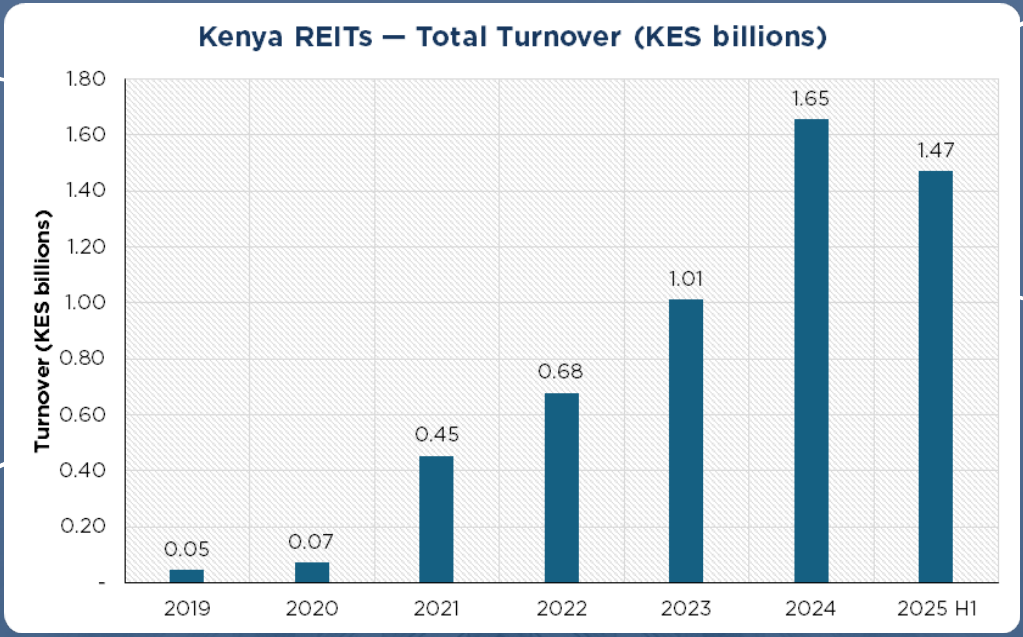


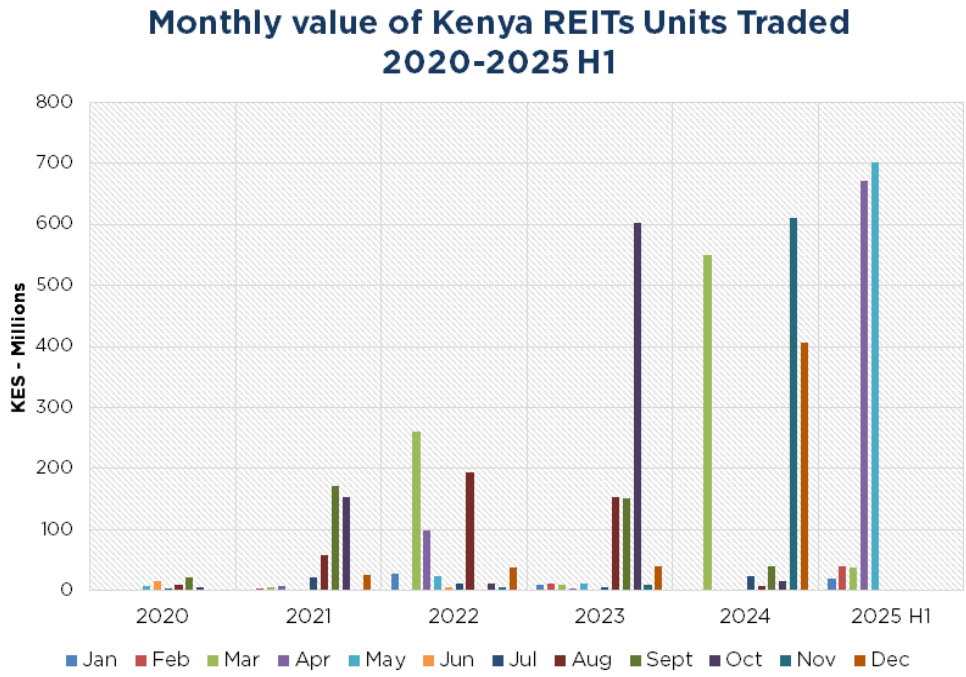


	2020	2021	2022	2023	2024	2025 H1
Acorn D-REIT	0.0%	0.0%	0.0%	3.6%	4.3%	0.0%
Acorn I-REIT	0.0%	4.9%	3.7%	3.6%	3.0%	1.3%
Fahari	10.6%	8.0%	10.0%	11.1%	2.7%	0.0%
IMARA	0.0%	0.0%	0.0%	2.9%	4.1%	0.0%

11. Kenyan REITs – Liquidity and Trading Activity

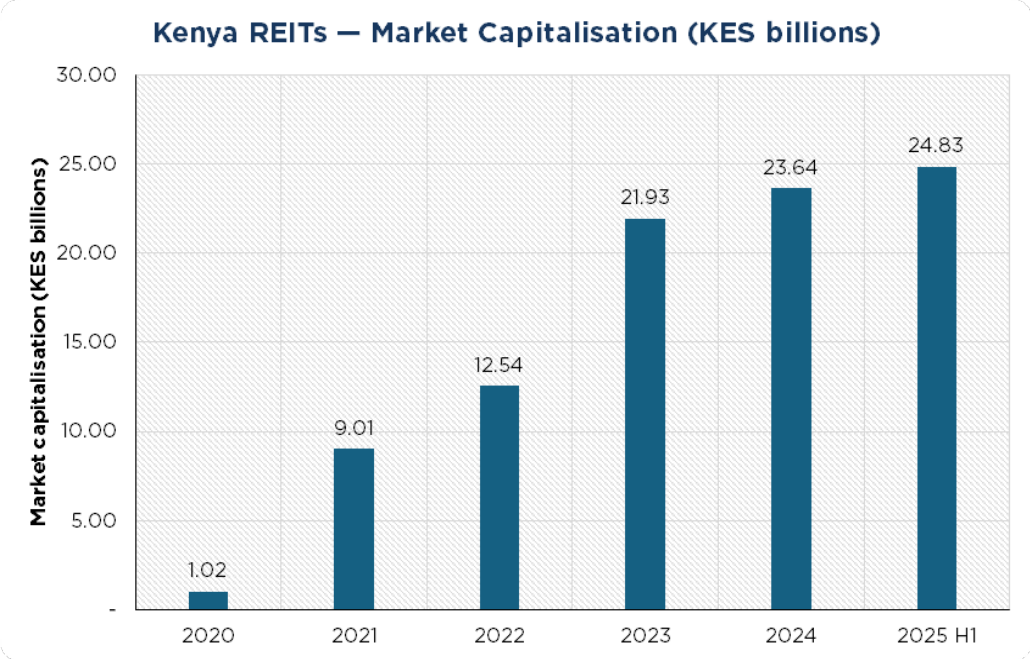
This chart presents trading volumes and turnover trends for Kenyan REITs, providing insight into market depth, liquidity, and investor participation.





12. 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.



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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