

## **STANLIB's Fahari I-REIT records 6.5 per cent half year return, on course to deliver full year distributions**

**Nairobi, August 15, 2016...**STANLIB's Fahari I-REIT has registered an impressive 6.5 per cent interim half year return following its successful listing on the Nairobi Securities Exchange (NSE) last year.

The performance shows that the I-REIT, the first such security in the region, is on course to deliver full year distributions to investors.

According to the first half year financial report filed with regulators by STANLIB Fahari I-REIT, the 6.5 per cent consists of growth in both capital and rental income during the first six months of its financial year.

There is no gearing at present. That is, the I-REIT is not yet exposed to debt. This minimises interest rate risks. The I-REIT has registered headline earnings of 23.19 cents per unit driven by revenue of Sh117.9 million and comprehensive profit of Sh53 million.

STANLIB has substantially completed the acquisition of three assets since its historic listing in November 2015, which raised Sh3.6 billion against a target of Sh2.6 billion. The three properties are the Greenspan Mall, Bay Holdings and Highway House. Its Investment property is now valued at Sh2.4 billion.

The forecast for full year performance looks promising in light of the low total vacancy rate of five per cent. The Greenspan Mall has already achieved an occupancy rate of 94 per cent and both of the other two properties (Bay Holdings and Highway House) are fully let.

The REIT manager is counting on the low vacancy rates to grow the income and deliver distributions to investors. They also have a very deliberate strategy to ensure that they maintain sufficient liquidity to pay out distribution to investors in line with regulations.

Some 69 per cent of the Fahari I-REIT's assets are properties while 31 per cent are in cash and near cash form, underlining its commitment to maintaining sufficient liquidity to facilitate payments to investors when they are due.

Cash management and liquidity management are part of a broader REIT strategy that also includes portfolio management. The STANLIB Fahari I-REIT has already

given investors exposure to a diversified pool of three strategic properties for long-term growth.

Greenspan Mall in particular stands out in the portfolio for its long-term potential. Situated on 9.5 acres within the densely populated middle income area of Donholm it has a diversified tenant base that includes high end clients such as Tuskys Supermarket, Ecobank, Standard Chartered Bank, National Bank, Bata, Chicken Inn and Pizza Inn.

The area has no other similar properties, underlining its high tenant retention capacity and scope for regular rental income.

The REIT manager said that the long-term prospects are underpinned by the quality of the assets and are confident of sustainable income going forward. STANLIB Fahari I-REIT's impressive half year results are indicative of the long-term growth trajectory that the I-REIT is keen to achieve.

The STANLIB Fahari I-REIT semi-annual report, together with the unaudited financial statements for the STANLIB Fahari Real Estate Investment Trust scheme, have been compiled in terms of Schedule 5 of Regulation 101 (3) of the REIT Regulations.

ENDS...

#### **Media Contact**

Lennox Yieke

Redhouse PR

Cell: 254 728 551 232

[lennox.yieke@redhouseke.com](mailto:lennox.yieke@redhouseke.com)

**About STANLIB Fahari I-REIT...**Listed on the Nairobi Securities Exchange in November 2015, where it is the only instrument on the Main Investment Segment, the STANLIB Fahari I-REIT is the first investible security of its kind in the region. Its founding philosophy is to acquire high yielding rental property for income meant for onward distribution to REIT-holders in the form of steady, tax-efficient returns.