

EAPI Summit: 2017

Beyond the first Hurdle [REITS and Listed Property]

JLL Capital Markets

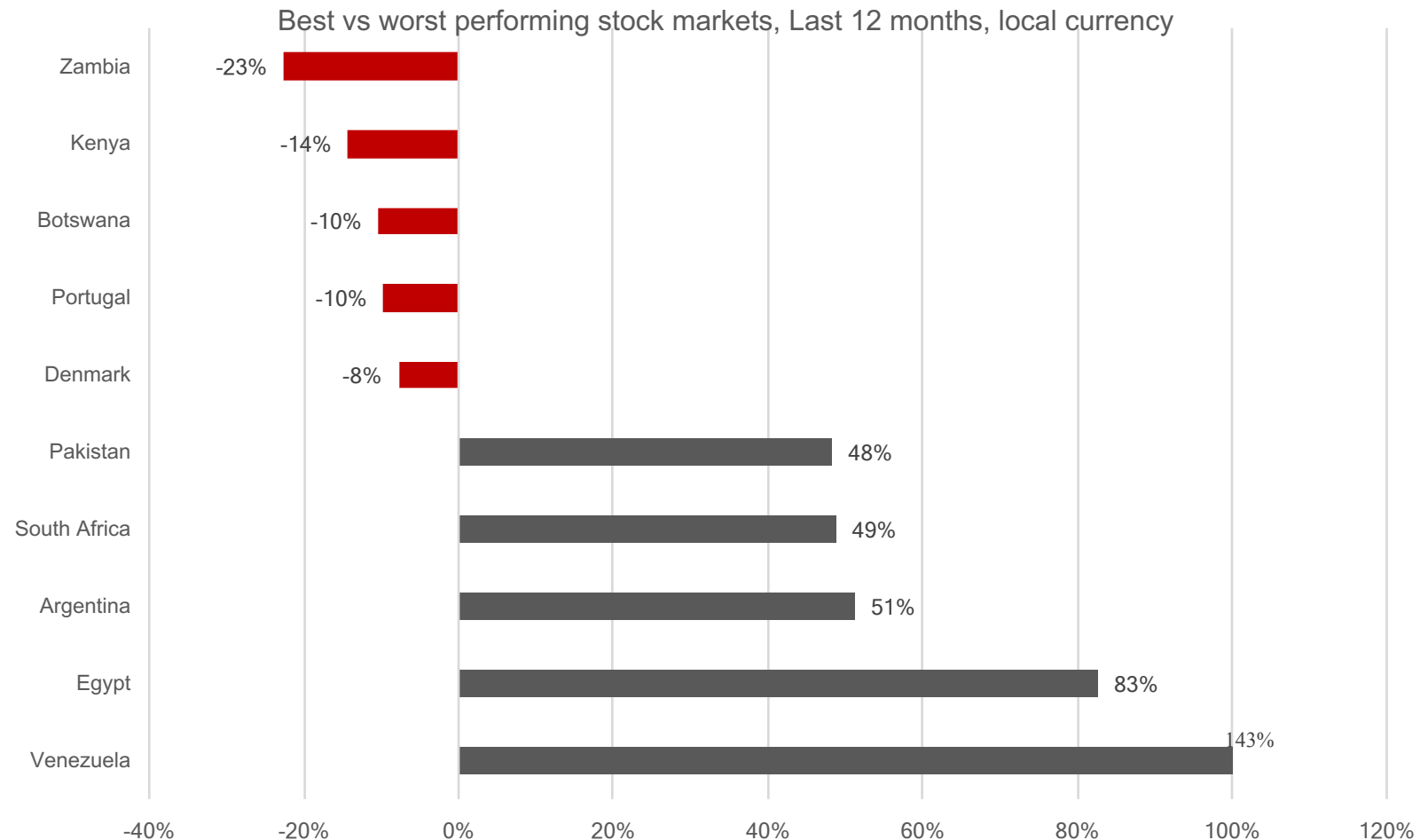
Nairobi, April 5-6 2017



NSE | Second worst performing market globally in 2016



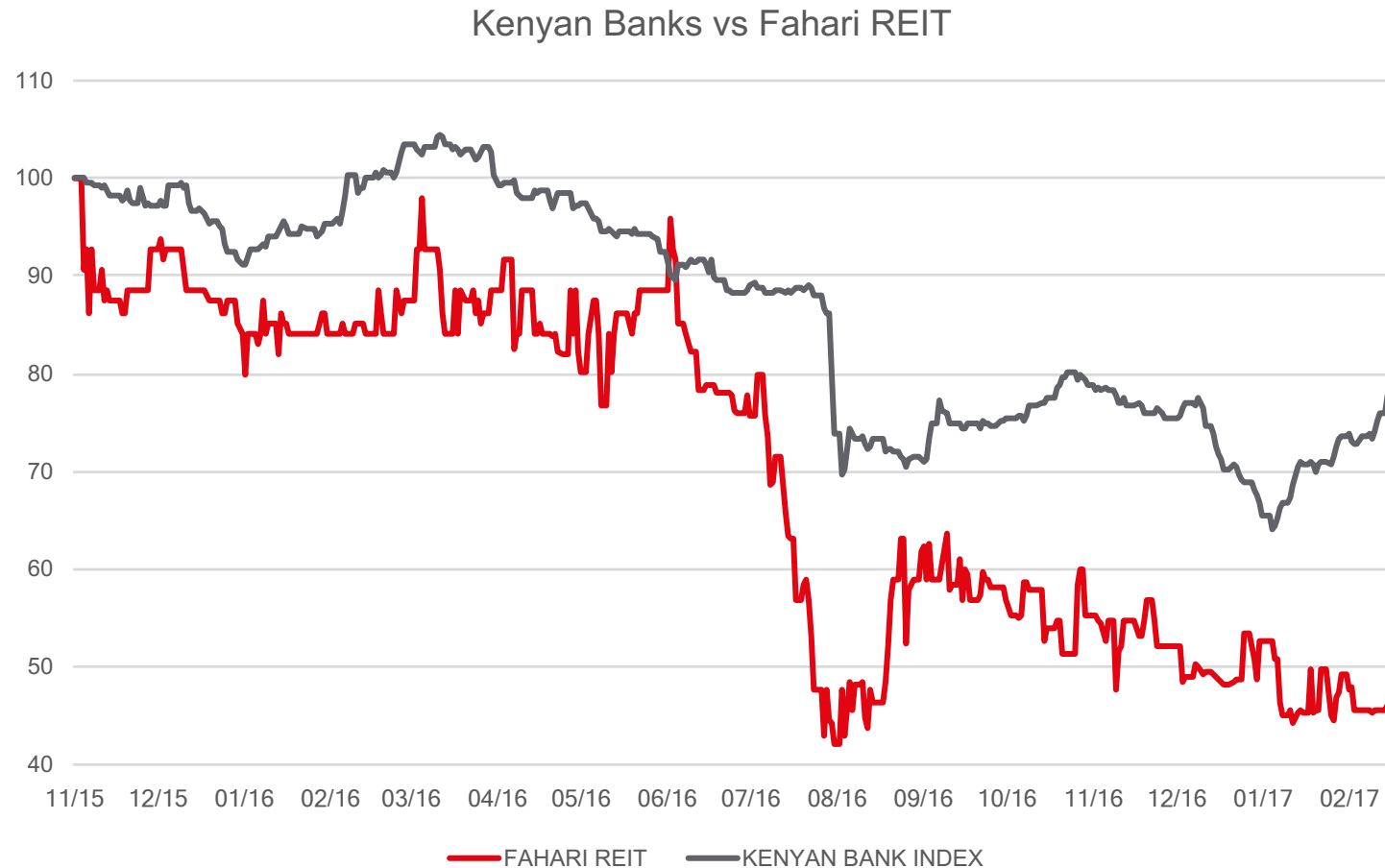
Sentiment towards REITS has been heavily influenced by broader market malaise



Interest rate ceiling | RE remains tied to financial sector



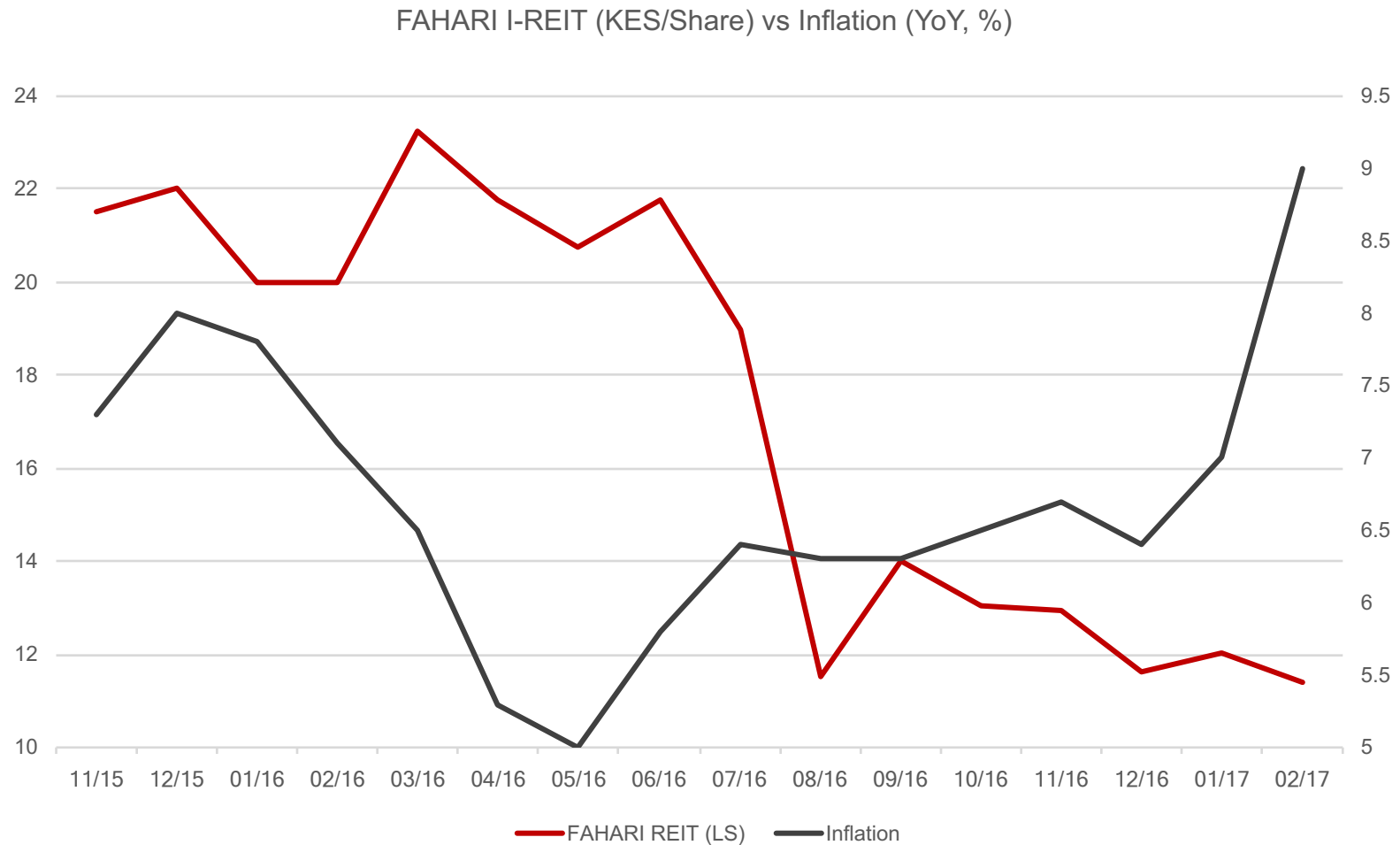
RE struggles to break from financial sector sentiment and pressure on Safaricom hasn't helped



Inflation expectations | Rising costs caps RE performance



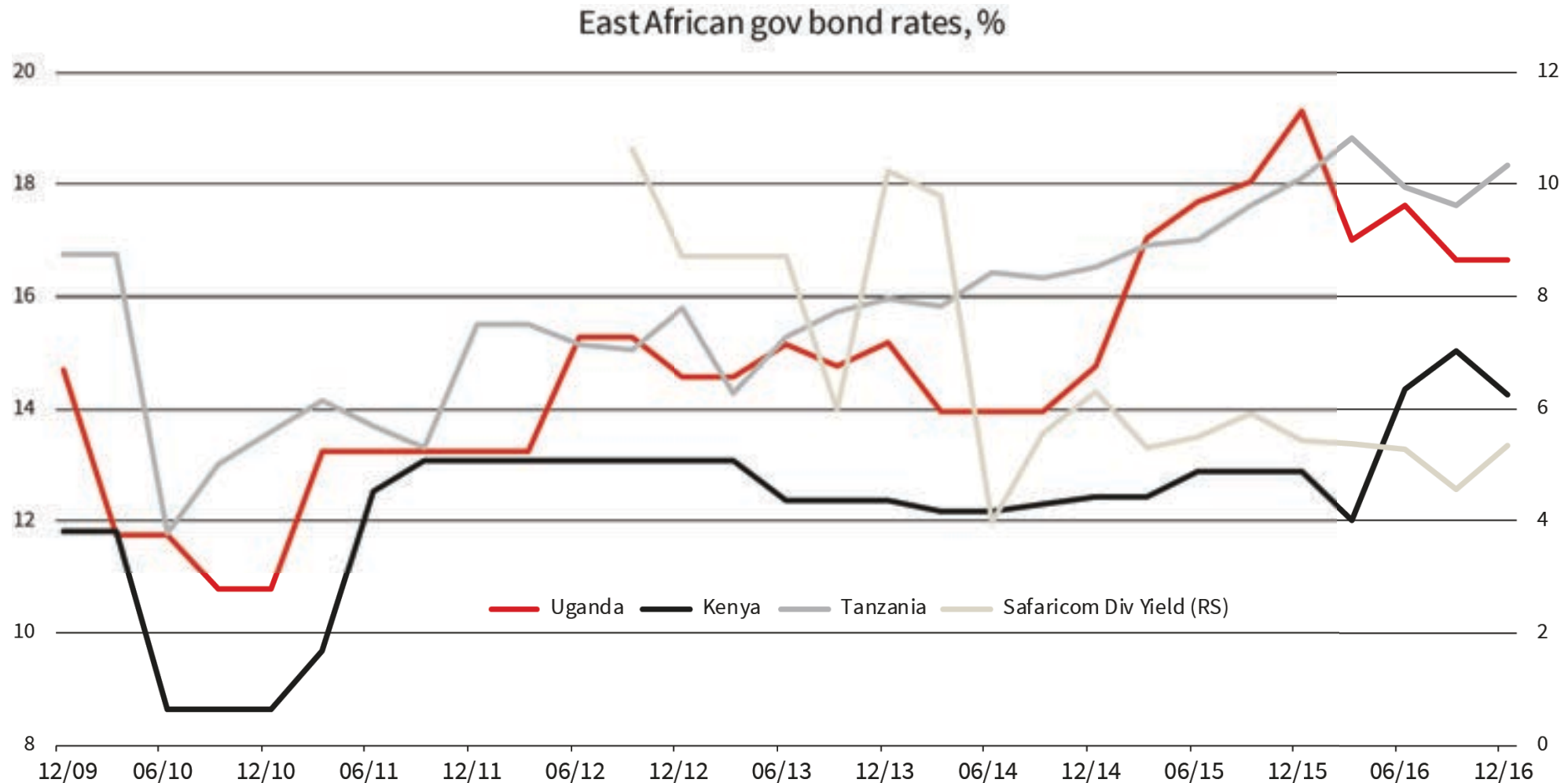
The threat of rising borrowing costs impacts sentiment, despite government assurance



Debt vs Equity | The challenge for RE



Real estate yields are not the only fruit in a high yield environment, low liquidity is major headwind



Thank you

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