



HOME AFRIKA

Houses Become Homes

**KPDA/SCAK CEO BREAKFAST  
FORUM**



HOME AFRIKA

Vision

To be the leader in the provision of dignified planned communities across Africa.

**The ONLY listed real estate focused company on the NSE**

Mission

To address the housing need in Africa



HOME AFRIKA

Houses Become Homes



Lakeview Heights



*Morningside*  
Office Park



MITINI  
SCAPES



**KEROBI**  
PLAINS ISINYA



*Sidai Plains*  
ISINYA



ENTIM  
BREEZE



MIGAA



Llango



Batian  
VIEW

# Morningside Office Park



**33 Office Suites**  
**Parking**  
**Restaurant**  
**Green Roof**  
**Pent Office Suites**

**Sh.1.2billion**  
**Project**

**Completed & Fully Sold**



# MIGAA GOLF ESTATE

## PROPOSED AMENDMENTS OF APPROVED COMPREHENSIVE MIXED USE DEVELOPMENT PLAN L.R. NO. 29059 - NORTH OF KIAMBU

RIOKI ESTATE

L.R. NO. 4888

LAND USE AREA LIST											
<b>RESIDENTIAL</b>	No.	Hectares	<b>COMMERCIAL</b>	No.	Hectares	<b>EDUCATION</b>	No.	Hectares	<b>PUBLIC UTILITY</b>	No.	Hectares
PDS	26	54.66	Office/Pa. etc		18.96	Secondary Sch.	3	6.98	C.C.		
Quarters (	540	63.39				Primary Sch.			Hospital		
Eighths (	248	171.6				Nursery Sch.			Club Ho.		
<b>RECREATION</b>			<b>CONSERVATION</b>			<b>PUBLIC UTILITY</b>			<b>HOSPITAL</b>		
Open space		26.06	Riparian Reserve	3	11.40	Roads/ Parking		26.1	Club Ho.		
Colly. @ result		93.47	Water/ Dam	4	4.53	K.P.L.C					
		13.6				WWTP/ WT		0.4			

ABBREVIATIONS	
C/C	Community Centre
PDS	Private Developer Site
K.P.L.C	Kenya Power & Lighting Corporation
WWTP	Waste Water Treatment Plant
WT	Water Tank

FARRAN ESTATE

L.R. NO. 4924/2



ANMER ESTATE

L.R. NO. 3827/3

# 18-HOLE CHAMPIONSHIP GOLF COURSE



**50% of golf course complete – Now selling frontage plots**



**12 Villas – Only 2 units remaining**





**70 Apartments – Only 9 units remaining**


















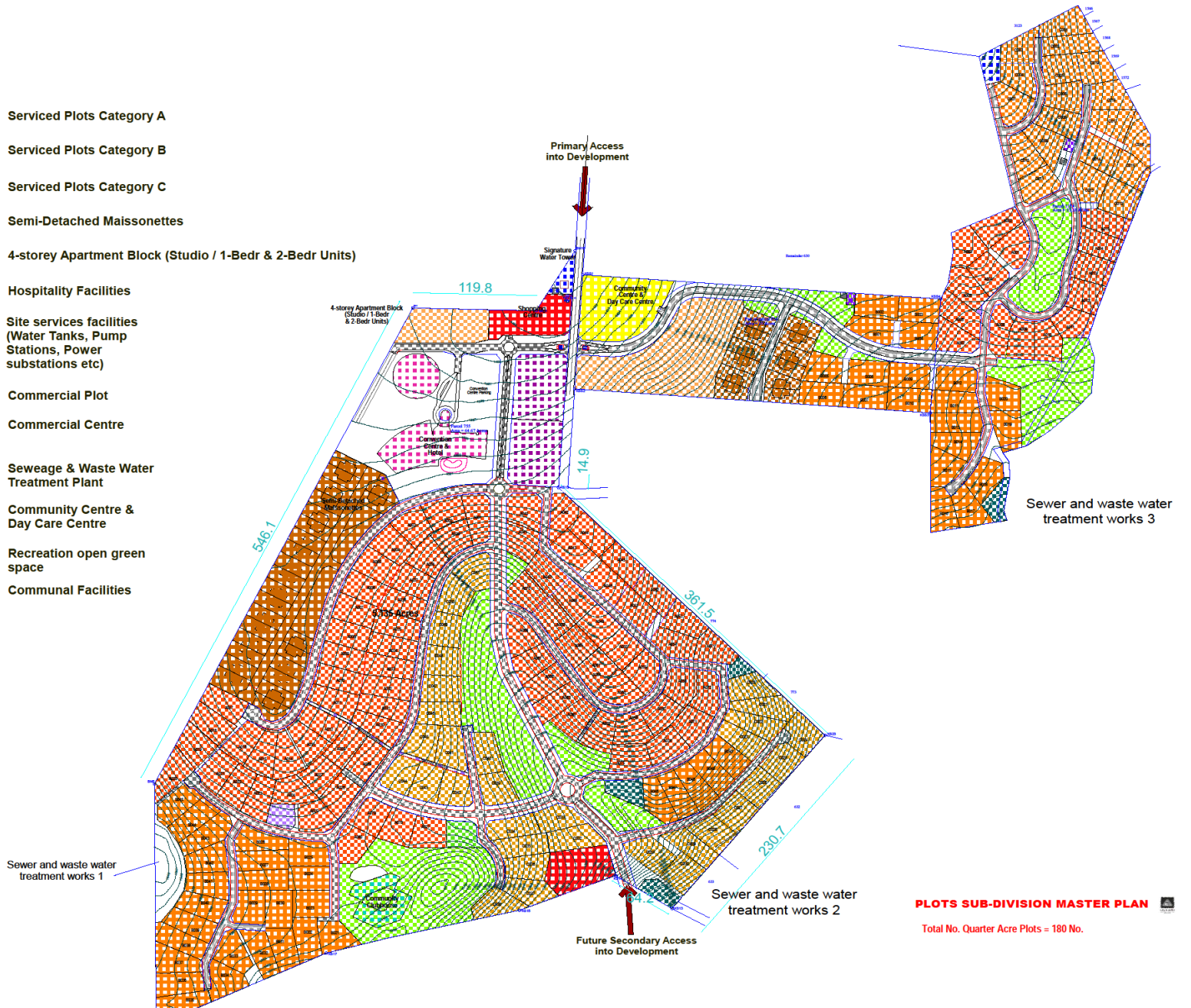
# LAKEVIEW HEIGHTS

RIAT HILLS, KISUMU



# THE MASTER PLAN

-  Serviced Plots Category A
-  Serviced Plots Category B
-  Serviced Plots Category C
-  Semi-Detached Maissonettes
-  4-storey Apartment Block (Studio / 1-Bedr & 2-Bedr Units)
-  Hospitality Facilities
-  Site services facilities (Water Tanks, Pump Stations, Power substations etc)
-  Commercial Plot
-  Commercial Centre
-  Seweage & Waste Water Treatment Plant
-  Community Centre & Day Care Centre
-  Recreation open green space
-  Communal Facilities



# THE VIEW







# ABOUT LAKEVIEW HEIGHTS

- Lakeview Heights was envisioned by Home Afrika Limited as a **premier conferencing, commercial and residential facility.**
- **Location:** Riat Hills-Kisumu
- **Size:** 90.72 Acres

# What you'll get

A 90.72 acre piece of land ideally suited for:

- Large scale construction e.g. housing estate (stand alone units or apartment blocks)
- Conferencing Facility
- Hotel & Residential development.
- Educational Institutions



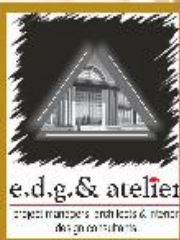


ARCHITECTURE

MASTERPLANNING

PROJECT MANAGEMENT

INTERIOR DESIGN



# COMMUNITY CENTER



COMMUNITY CENTER -----FRONT VIEW

ARCHITECTURE

MASTERPLANNING

PROJECT MANAGEMENT

INTERIOR DESIGN



**e.d.g. & atelier**  
project managers architects & interior  
design consultants

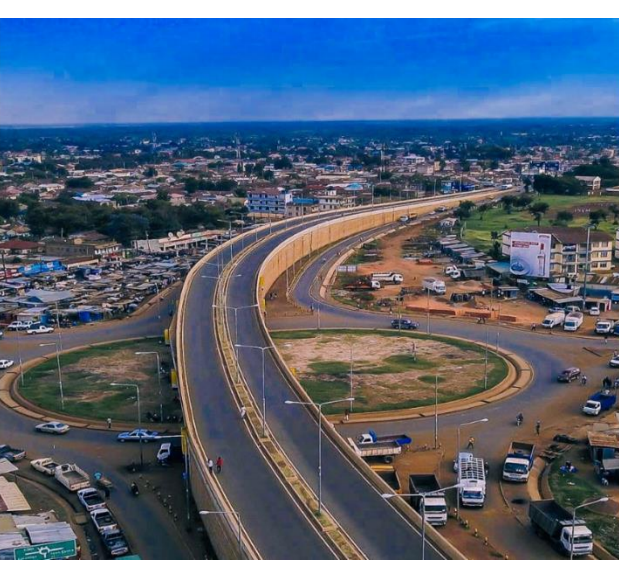




HOTEL — BACK VIEW

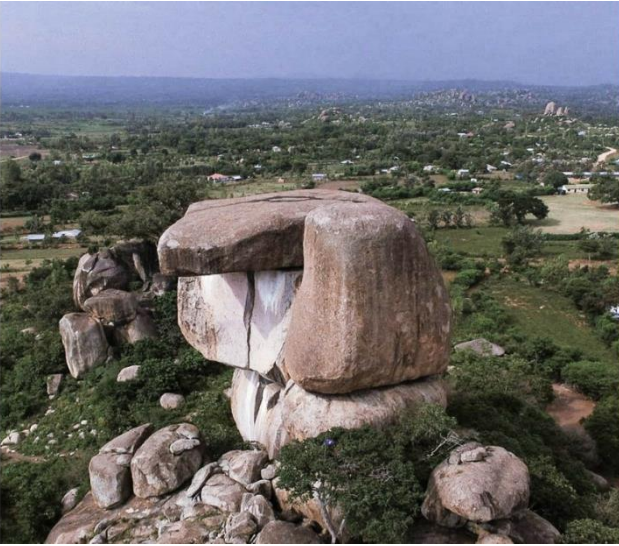


CONVENTION CENTER



- Kisumu is **centrally** placed within the East African Community
- Lakeview's **high elevation** and **breathtaking views** make it ideal for Hotel or conferencing facilities.
- Kisumu has an **International Airport** which makes it an ideal destination for tourism, business and conferencing.
- Through the **MICE Strategy**, KICC is looking at having Regional convention centers (opportunity to accommodate more than 1,000 pax in conferencing)

# Reasons to invest



- The Lakeview concept is a **unique development & architectural** concept which will stand out & spark interest in the real estate market in the country.
- Lakeview heights will be a great opportunity to drive **affordable housing** in Kisumu county.
- **Lake basin economic bloc** will spur economic growth in the region.
- **Big brands** such as EABL, Aga khan, united millers, **NGOs** such as PATH, KEMRI and **Educational institutions** such as Maseno University are in Kisumu.

**More  
Reasons  
to  
invest**



# How is the infrastructure?

## Water Supply System:

- A direct water line is currently under construction to the RIAT Hills area

## Road Network:

- There is an accessible road network to the project.

# Our Neighbors



## Hon. Raila's House

Raila's KSh 1 billion house  
built at the top  
of Riat Hills in Kisumu



# Our Neighbors

## Lago Resort



# Our Neighbors

## Riat Villas





# What next?

SIZE	COST PER ACRE	TOTAL
90.72 ACRES	KSH. 4,500,000	408,240,000

**Dan Awendo**  
**0720 410 910**



# **Kenya Property Developers Association CEO Breakfast Forum**

**“Real Estate Investment Opportunities for Pension Funds in  
Kenya”**

**Nzomo Mutuku, MBS  
Chief Executive Officer**

*28 February 2019  
Villa Rosa Kempinski Hotel, Nairobi*



# Outline

- ❑ Mandate of Retirement Benefits Authority
- ❑ Industry Performance
- ❑ Regulatory Framework
- ❑ Real Estates Investments
- ❑ Challenges to Real Estate Investments
- ❑ Conclusion

## RBA's Mandate, Vision & Mission

**Vision:** A dynamic and secure retirement benefits sector

### REGULATE & SUPERVISE

Establishment and Management of retirement benefits schemes

### PROTECT

Interests of scheme members and sponsors

### DEVELOP & PROMOTE

The Retirement benefits industry

### ADVISE

The Cabinet Secretary to The National Treasury on national policy relating to the industry

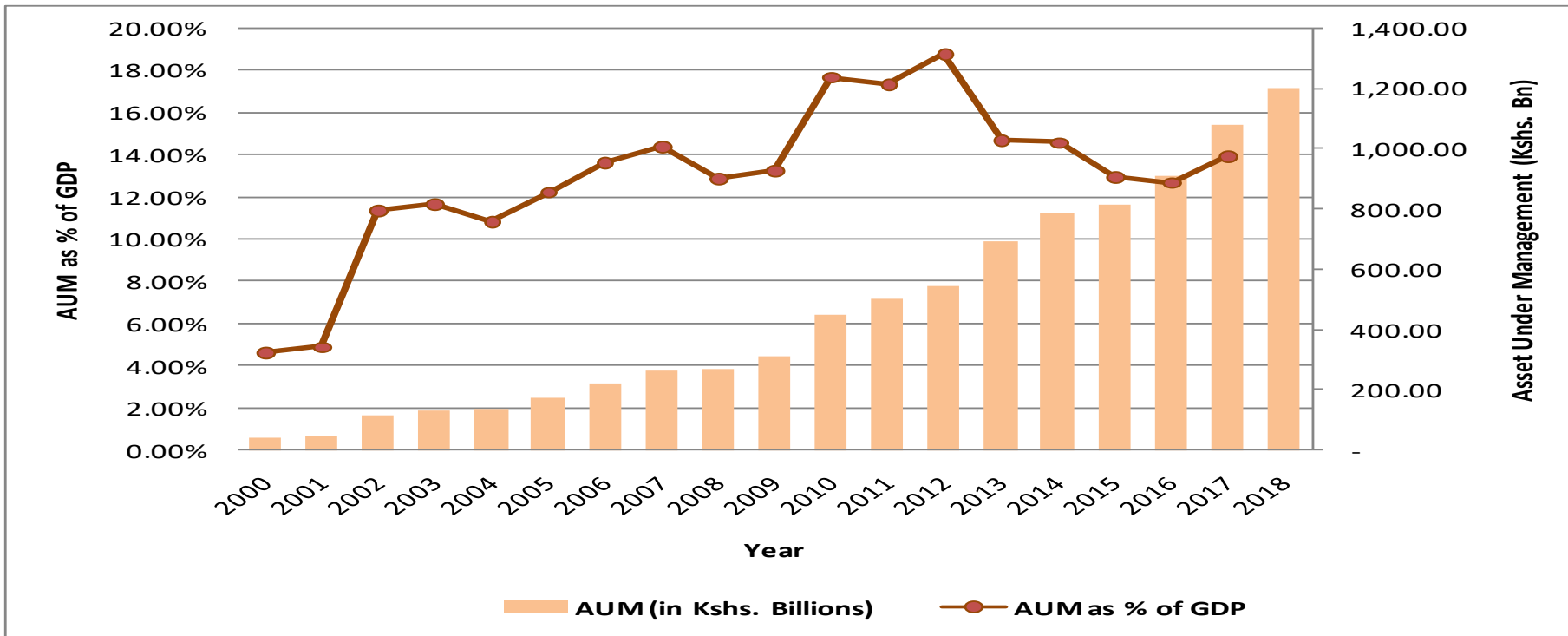
### IMPLEMENT

All government policy relating to the industry

**Mission:** To develop, safeguard and deliver value to the retirement benefits sector through excellence in service delivery

# Industry Performance

- ❑ Grown in membership and industry assets both in absolute terms and as a ratio of GDP.
- ❑ Current assets – Kshs.1.2 Trillion
- ❑ Over 1,300 registered schemes with over 2.4 million members.





# Regulatory Framework

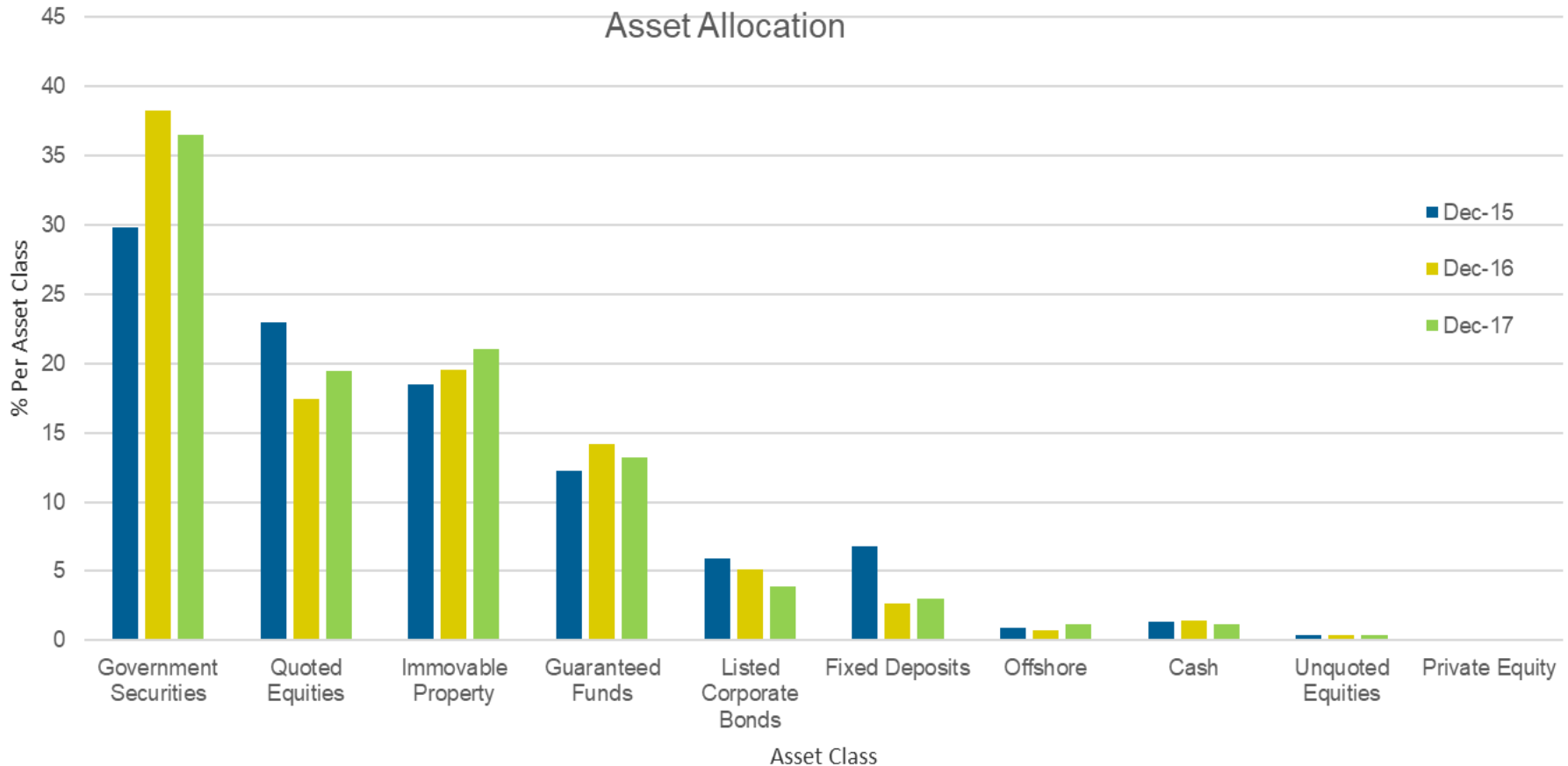
ASSET CLASS	Max	ASSET CLASS	Max
Cash and Demand (Fixed and Time) Deposits in Institutions Licensed under the Banking Act in Kenya	5 (30)%	Unlisted Shares and equity including CIS	5%
		Exchange Traded Derivatives	5%
Listed Corporate Bonds, Mortgage Bonds and Fixed Income instruments, loan stocks approved by CMA including CIS and GDRs	20%	Real Estate Investment Trusts	30%
		Private Equity & Venture Capital	10%
Commercial Paper and other private company debt instruments with investment grade rating	10%	Offshore Investment in bank deposits, government securities, equities, rated corporate bonds including CIS	15%
EAC Government Securities and Infrastructure Bonds issued by public institutions including CIS	90%	Immovable Property in Kenya	30%
		Guaranteed Funds	100%
Shares listed in EAC securities Exchanges including CIS, ETFs and GDRs	70%	Any Other Assets	10%



# How Pension Schemes can invest in Real Estates

ASSET CLASS	Max
Real Estate Investment Trusts	30%
Private Equity & Venture Capital	10%
Immovable Property in Kenya – Direct investment in property	30%
EAC Government Securities and Infrastructure Bonds issued by public institutions including CIS	90%
Listed Corporate Bonds, Mortgage Bonds and Fixed Income instruments, loan stocks approved by CMA including CIS and GDRs	20%
Guaranteed Funds	100%
Any Other Assets	10%

# Actual Scheme Investments





# Real Estate Investments

- ❑ Real estate is viewed as an important asset for pension funds due to its investment characteristics of **high quality, income producing**, and its **low risk** and **portfolio diversification** benefits
- ❑ Investment in real estate has been shown to reduce risk; enhance returns; act as **a hedge for inflation** and deliver **strong cash flows** to investors in the long term
- ❑ Real estate also has been shown to have **low correlation to other financial assets**
- ❑ Hence it is a good diversifier within a mixed-asset portfolio.
- ❑ However, barriers to investments in real estate by pension funds still exist.

## Challenges to Real Estate Investment - I

- ❑ Investments in real estate are **illiquid** and **require large sums of funds for direct investment** and therefore **locking out many small schemes**.
- ❑ Direct real estate investment also **require special management skills** and there is often a lack of capacity amongst the fund managers to manage property investments coupled with a lack of **standardized regulations governing the property managers**.
- ❑ **There is low information transparency** and challenges and differences in property valuation methodologies as well as lack of a single reference **Property Index**.

## Challenges to Real Estate Investment - II

- ❑ Investments in real estate by pension funds have often been **dogged by controversies and governance issues**; starting from acquisition, management and disposal of real estate investments.
- ❑ **Issues of performance measurement** is still a challenge given different managers apply different methodologies to measure performance hence leading to differing results which are non-comparable.
- ❑ The schemes also face a challenge **in complying with the investment guidelines** in that the value of property usually increases without new investments due revaluations.



# REITS

- ❑ REITs are listed on their respective stock markets and their shares are **publicly traded** via active trading.
- ❑ REIT is an indirect form of property investment & its professionally managed.
- ❑ In Kenya, the REITs regulations were gazetted on 18<sup>th</sup> June 2013 through the legal notice No. 116 and categorized REITS into:
  - ❑ **D-REIT** - designed to target development and construction, mainly housing development
  - ❑ **I-REIT** which targets income producing real estate is based on the traditional REIT structure with flexibility
- ❑ The Capital Market Authority has licensed six (6) REIT managers: (Centum Asset Managers Ltd, UAP Investment Ltd, CIC Asset Management Ltd, Fusion Investment Management Ltd, Stanlib Kenya Ltd, and ICEA Lion Asset Management Ltd) and three (3) REIT trustees (Housing Finance Company (K) Ltd, Co-operative Bank of Kenya Ltd, and Kenya Commercial Bank Ltd

## Conclusion

- ❑ RBA Investment Guidelines provide opportunity to Pension schemes to invest in Real Estate through a wide variety of options
- ❑ Schemes have already invested over Kshs 220 billion in real estate
- ❑ Real Estate Investment by Pensions schemes however faces a number of challenges
- ❑ Developers can facilitate pension schemes participation by adopting new vehicles such as REITs



# Asante

[www.rba.go.ke](http://www.rba.go.ke)

# “PRIVATE EQUITY IN EAST AFRICA”

Presentation by Eva Warigia, Executive Director for East Africa Private Equity and Venture Capital Association (EAVCA)

**AT THE KPDA/SCAK CEO BREAKFAST FORUM ON THURSDAY,  
28<sup>TH</sup> FEBRUARY 2019 AT THE VILLA ROSA KEMPSINSKI HOTEL**

# Who we are:

EAVCA is the regional industry body promoting private equity and venture capital in Africa via four pillars

## Intelligence



- In-depth industry research
- Regional market intelligence
- Provide investor guidance: Where to invest, why, challenges in the region
- Sector showcase

## Training



- Regional focused content
- Skills transfer of global expertise to local staff
- Capacity building for the next generation of professionals

## Events & Networking



- Provide a platform to congregate,
- Build networks for partnership
- Advance thought leadership for East Africa

## Advocacy



- Industry education
- Bridge the knowledge gap between private and public sector
- Advance best practice in the region



# Who we are:



40 PE funds  
represented

30 Advisory Firms



Asset Managers

Strategic  
Partnerships

3 Development  
Finance Institutions

# Setting the Scene: Private Equity in Africa

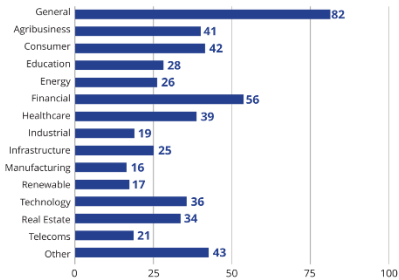


**215**  
Approximate  
number of PE  
firms in Africa

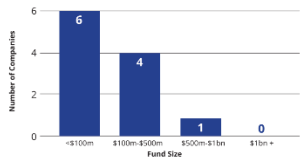
Source: Africa Capital Digest/ Asoko Insights February 2019.

# Setting the Scene: Private Equity in Africa

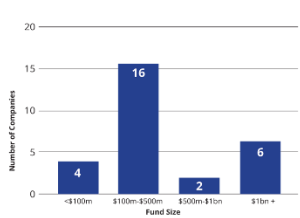
## Industry Sectors



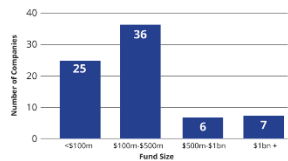
## Ghana - Number of Managers/Size of Funds



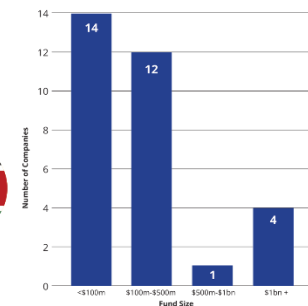
## Nigeria - Number of Managers/Size of Funds



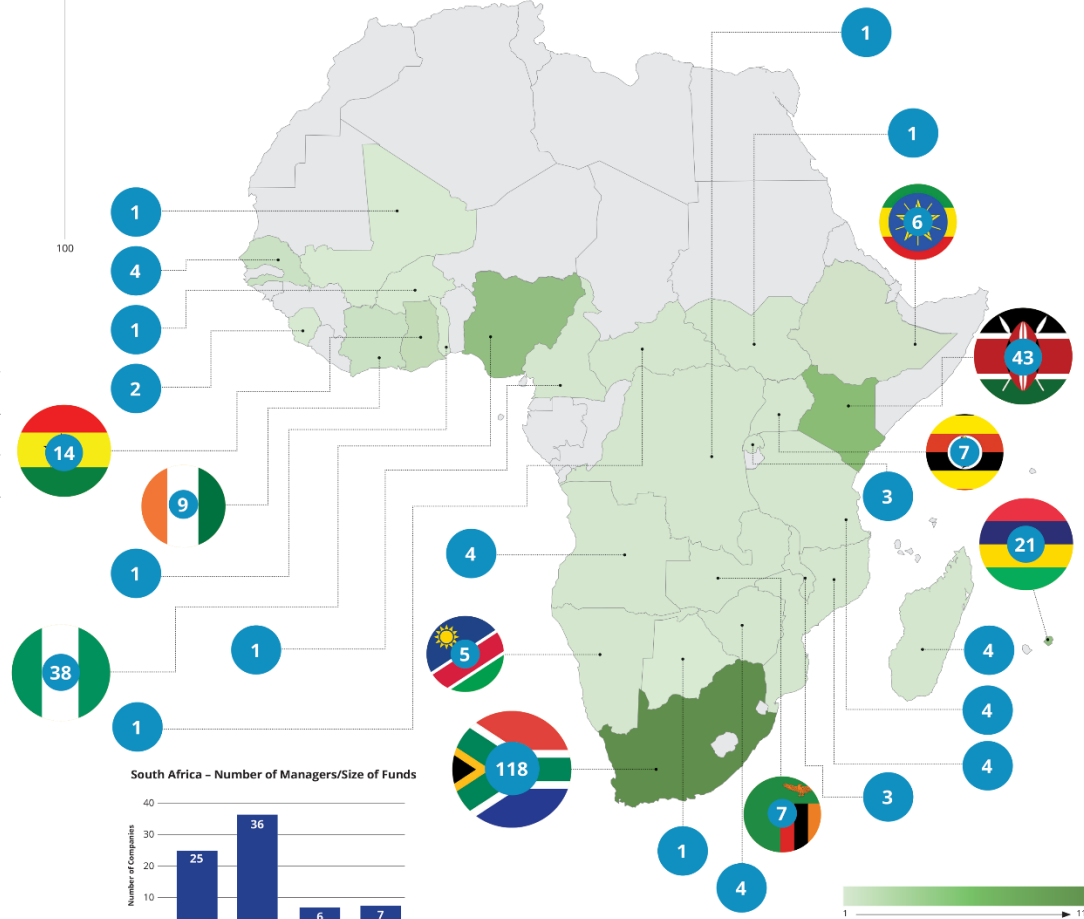
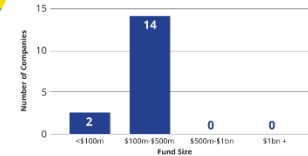
## South Africa - Number of Managers/Size of Funds



## Kenya - Number of Managers/Size of Funds





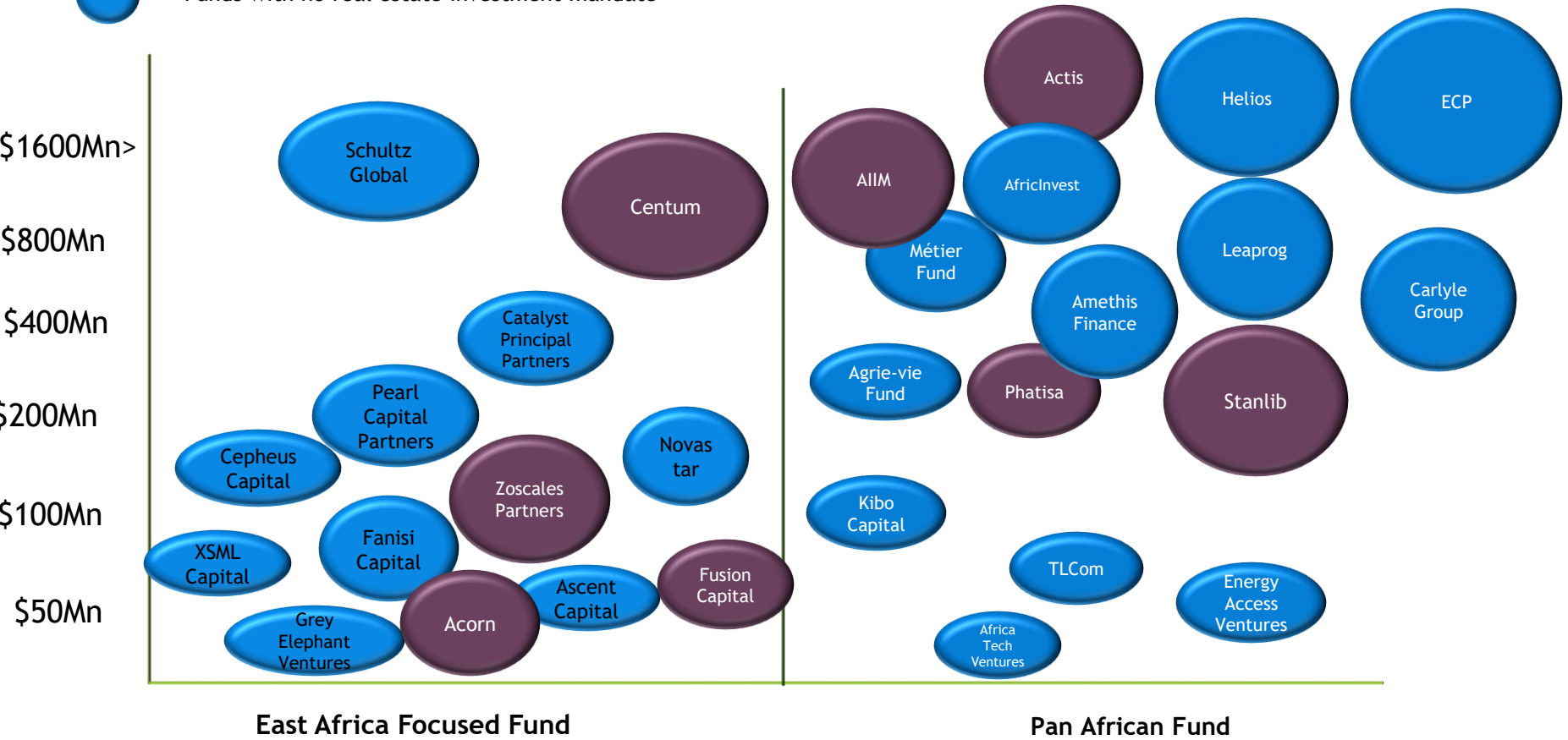
## Mauritius - Number of Managers/Size of Funds



Source: Africa Capital Digest/ Asoko Insights February 2019.

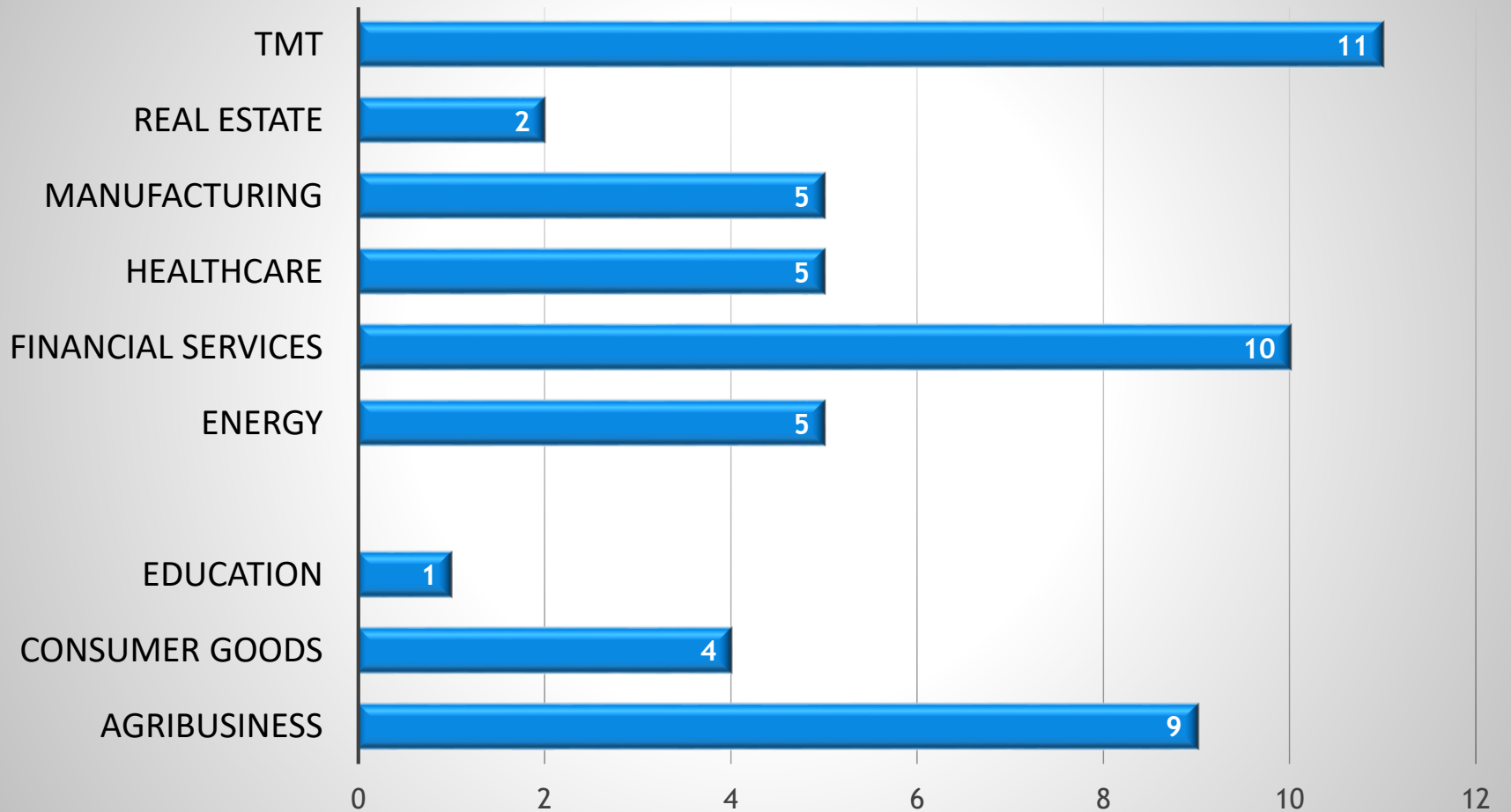
# A sample of PE funds with presence in East Africa

-  Funds with a real estate investment mandate
-  Funds with no real estate investment mandate



# Sectors of investment

## Number of investments per sector in 2018



# Sample PE deals in Kenya



Java House  
Industry: FMCG/Hospitality  
PE firm: ECP  
Invested: 2012  
Exit: 2017



Brookhouse School  
Industry: Education  
PE firm: AfricInvest  
Invested: 2010  
Exit: 2015

**Goodlife**  
Pharmacy Health Beauty

Goodlife Pharmacy  
Industry: Retail/Pharmacy  
PE firm: Catalyst  
Invested: 2014  
Exit: 2016



Mentor Management Ltd  
Industry: Real Estate  
PE firm: Actis  
Invested: 2011  
Exit: 2018

**APA**  
INSURANCE

APA Insurance  
Industry: Insurance  
PE firm: Leapfrog  
Invested: 2011  
Exit: 2014



KenafriC Industries  
Industry: Manufacturing  
PE firm: Metier/Amethis  
Invested: 2017  
Active



Rosslyn Riviera Mall  
Industry: Real Estate  
PE firm: Vantage Capital  
Debt Fund  
Invested: 2018  
Active

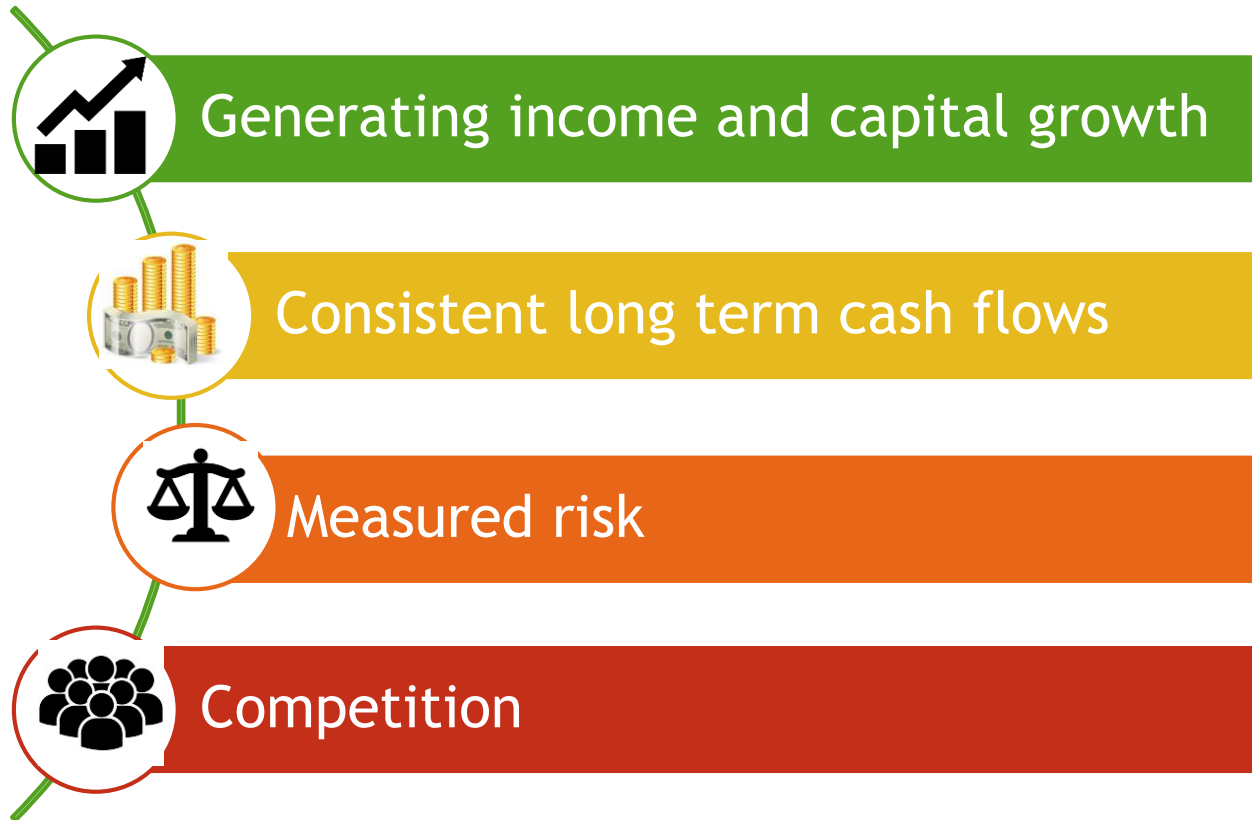
*Nakuru Meadows*

Nakuru Meadows  
Industry: Real Estate  
PE firm: Phatisa  
Invested: 2015  
Active

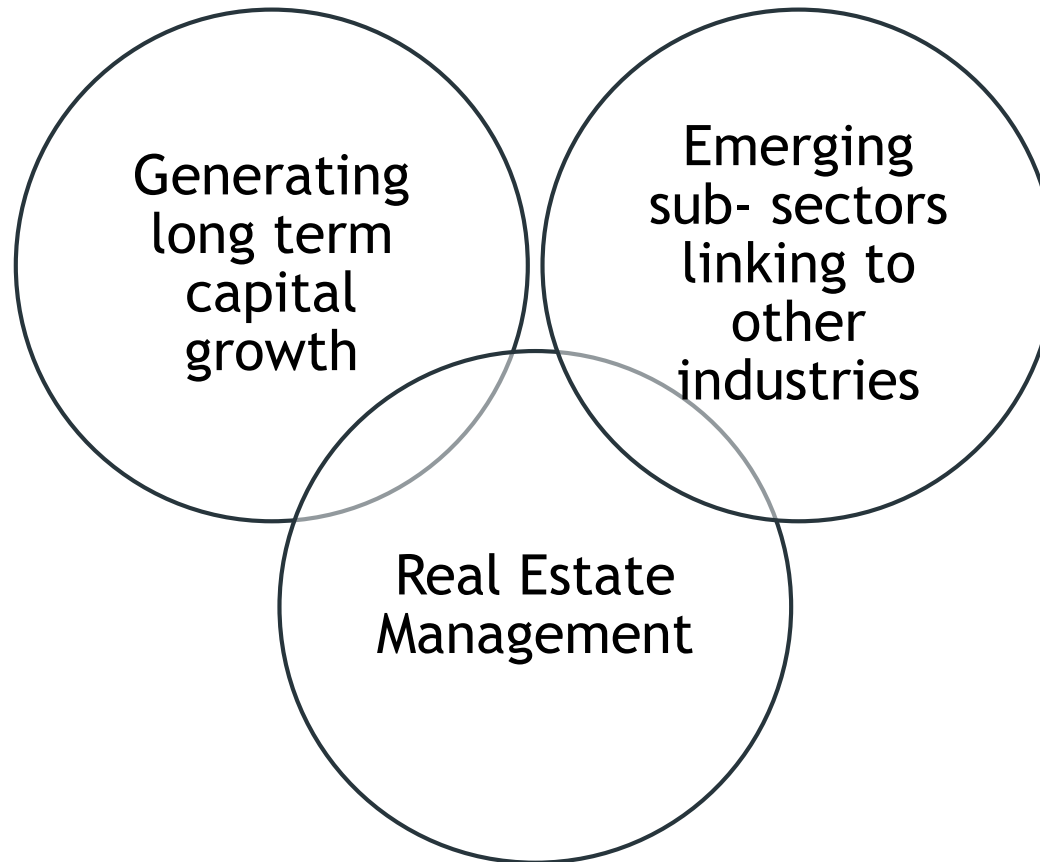


Twiga Foods  
Industry: Technology  
PE firm: DOB Equity  
Invested: 2017  
Active

# Influence for PE investment in Real Estate



# What PE is looking at while considering Real Estate



Source: Preqin Global Real Estate Report 2019



# THANK YOU

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