

Laptrust released the FY'2025 financial results for the Imara I-REIT for the period ended 31st December 2025. The I-REIT was authorized by the Capital Markets Authority (CMA) on 1st November 2022. Laptrust Imara I-REIT holds several properties across the country including; Pension towers, CPF House, Metro Park, Freedom Heights mall, Freedom Heights serviced plot, Man apartments, and Nova Pioneer in Eldoret.

Below is a summary of the Laptrust Imara I-REIT's FY'2025 Performance.

Figures in Kshs mn unless stated otherwise

Balance Sheet	FY'2024	FY'2025	FY'2025/FY'2024 Change
Total Assets	6,725.3	6,344.6	(5.7%)
Total Equity	6,452.0	5,953.7	(7.7%)
Total Liabilities	273.3	390.9	43.0%

Figures in Kshs mn unless stated otherwise

Income Statement	FY'2024	FY'2025	FY'2025/FY'2024 Change
Rental Income	479.1	290.6	(39.3%)
Income from Other Sources	100.7	190.4	89.1%
Operating Expenses	296.6	263.3	(11.2%)
Profit/Loss	(204.3)	(280.3)	37.2%
Basic EPS (Kshs)	(0.6)	(0.8)	37.2%

Figures in Kshs mn unless stated otherwise

Ratios Summary	FY'2024	FY'2025	FY'2025/FY'2024 Change
ROA	(3.0%)	(4.4%)	(1.4%)
ROE	(3.2%)	(4.7%)	(1.5%)
Debt Ratio	4.1%	6.2%	2.1%
PBT Margin	(42.6%)	(96.5%)	(53.8%)
Rental Yield	7.7%	5.1%	(2.6%)

Income Statement:

- The basic earnings per unit came in at Kshs (0.8) in FY'2025, a 37.2% decline from Kshs (0.6) recorded in FY'2024. The performance was driven by a 37.2% increase in net losses to Kshs 280.3 mn in FY'2025 from Kshs 204.3 mn recorded in FY'2024,
- Rental and related income for the REIT stood at Kshs 290.6 mn in FY'2025, a 39.3% decrease from Kshs 479.1 mn in FY'2024, implying a gross annual rental yield of 5.1% in FY '2025 on interest-earning assets, 2.6% lower than the 7.7% rental yield recorded during FY'2024. This decrease is attributable to 39.3% decrease in rental and related income which outpaced the 8.0% decrease in investment property to Kshs 5.7 bn from Kshs 6.2 bn in FY'2024
- Total operating expenses in FY'2025 for the REIT came in at Kshs 263.3 mn, 11.2% lower than the Kshs 296.6 mn recorded in FY'2024, attributed to Kshs 69.1 mn incurred in utility expenses, 68.9 mn in property expenses, and Kshs 125.3 mn in fund operating expenses.

Balance Sheet:

- Total assets for the REIT stood at Kshs 6.3 bn in FY'2025, a 5.7% decrease from Kshs 6.7 bn recorded in FY'2024. Total non-current assets decreased by 7.8% to Kshs 5.8 bn from Kshs 6.3 bn in FY'2024 , attributable to 8.0% decrease in investment property to Kshs 5.7 bn from Kshs 6.2 bn in FY'2024, while total current assets increased by 26.7% to Kshs 0.5 bn from Kshs 0.4 bn in FY'2024 attributable to a 56.7% increase cash and cash equivalents to Kshs 0.3 bn from Kshs 0.2 bn and 28.2% increase in trade and other receivables to Kshs 0.22 bn from Kshs 0.17 bn in FY'2024.
- Total liabilities in FY'2025 came in at Kshs 0.4 bn, recording a 43.0% increase from Kshs 0.3 bn in FY'2024 wholly attributable to an increase in trade and other payables,
- The shareholder's funds decreased by 7.7% to Kshs 6.0 bn from Kshs 6.5 bn in FY'2024, mainly attributable to 72.4% increase in revaluation reserve to Kshs 1.3 bn from Kshs 0.8 bn in FY'2024, which outpaced the 15.3% increase in retained earnings to Kshs 314.7 mn from Kshs 272.9 mn in FY'2024
- The REIT currently has a Return on Asset and a Return on Equity of negative (4.4%) and (4.7%) respectively.

Going forward,

- We expect the expiry of the three-year trading restriction period in 2026 to mark a key inflection point for the I-REIT, as pricing transitions from a net asset value (NAV)-based model to a market-driven mechanism. However, the REIT's weak operational performance, characterized by declining rental income, compressed yields, and negative returns, may weigh on investor sentiment and result in units trading at a discount to NAV once price discovery sets in.