

Mid Valley Southkey likely to open in second quarter

PETALING JAYA: IGB Bhd's new mall development, Mid Valley Southkey, in Johor is likely to be unveiled in 2Q19 due to teething problems.

PublicInvest Research said the RM6bil mixed development was earlier expected to be soft-launched on Aug 8, 2018.

For the first phase of the project, IGB will build a mall that is said to be an improved version of the existing mall in Midvalley, KL while other phases will encompass three hotels, four offices and a service apartment with an estimated development period of 12 years.

The research house said it expected the 1.5 million net lettable area to be leased by end-2019.

"Leasing progress, we understand, is very encouraging with most of the available units to be taken up by end-2019," the research house said.

Meanwhile, occupancy in the newly completed Southpoint Tower in Mid Valley City is gaining traction despite the current office space oversupply.

The residential portion of Southpoint is also being "tweaked" to make the units more marketable, said PublicInvest.

In the United Kingdom, the 18 Blackfriars mixed project is expected to be unveiled in 2020 due to longer-than-expected approvals from the city council.

The research house also said that the joint venture to develop a project in Bangkok is on the backburner as the group awaits a more conducive environment before starting on the 5.8-acre site.

PublicInvest maintained its neutral recommendation and target price of RM2.80 pegged at about 65% discount to its revalued net asset value estimates in view of the de-rating of the property sector.