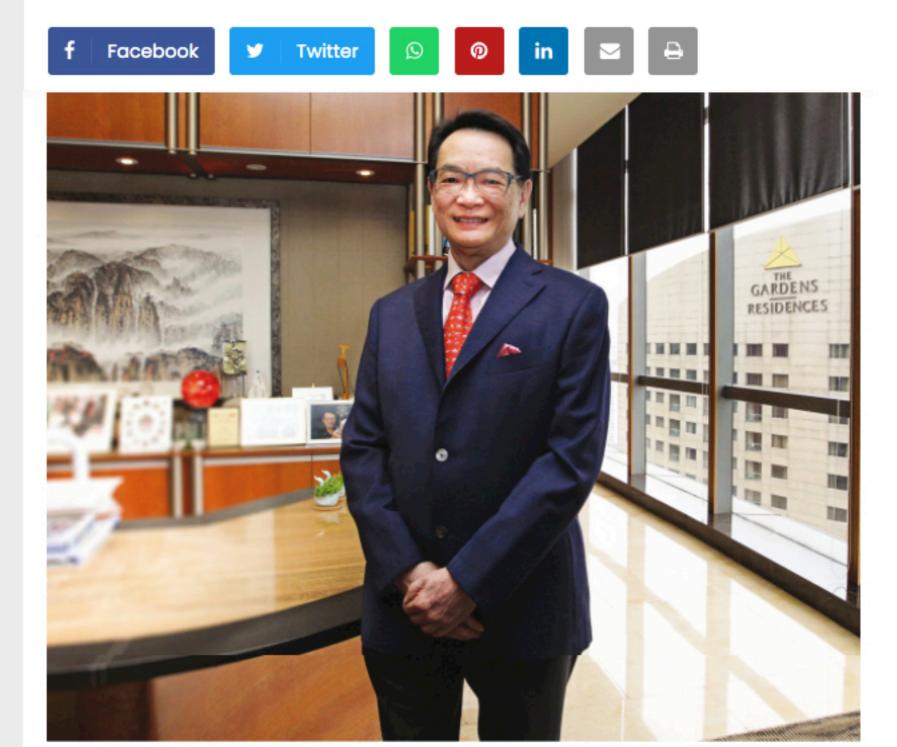
RENT



EdgeProp



IGB's Robert Tan: Shrinking offices post-Covid-19 unlikely



(Photo by The Edge)

PETALING JAYA (July 3): There will be a need for bigger — not shrinking — offices, in a post-pandemic environment. This is the view of IGB Bhd group CEO Datuk Seri Robert Tan Chung Meng (pictured).

"Employers still have the same space requirements and even need a bigger space for employees for social distancing. Even if all the people are vaccinated, it doesn't mean they won't be infected. We have a lot of companies requesting for more space.

"If the rental rate is right, I think they will still take our properties," Tan told The Edge Malaysia.

Tan also feels that there will be changes to office density in the new normal. "For instance, occupiers that had compressed their space density to 70 to 80 sq ft/person may be forced to reconsider the norm and increase the density to 100 sq ft/person in the long term."

"As companies look to redesign the current and future workplace while adhering to physical distancing measures, we foresee the space requirement per headcount to increase and effectively negate the impact of office downsizing," he explained.

It has been reported that a recent survey by CBRE Research revealed that remote working is unlikely to dampen office demand in Asia-Pacific as over 70% of management prefer having staff work from the office.

Assets in IGB Commercial REIT's portfolio include Menara IGB and IGB Annexe, Centrepoint South, Centrepoint North, Boulevard Properties, Gardens South Tower, Gardens North Tower, Southpoint Properties, Menara Tan & Tan, G Tower and Hampshire Place Office. The REIT has 3.4 million sq ft of net lettable area (NLA).

According to the report by The Edge, as at June, IGB Commercial REIT's average occupancy rate stood at 73.4% against 76.3% in 2020.

The weekly also stated that while "the pandemic has resulted in the scaling down of business operations by some office tenants, this has been mitigated by the expansion of office requirements by other

business sectors, from which the REIT has benefited, owing to its

diversified portfolio mix of commercial properties".

RENT



BUY

NEW LAUNCHES (PROPMALL)

FIND AGENTS

NEWS

RESOURCES

LOGIN/SIGN UP

"For instance, G Tower, which is located in the Golden Triangle area, raked in the highest gross rental income of RM31.66 million in 2020 among the REIT's properties, with an occupancy rate of 85.5%," added the business publication.

Tan said that with IGB Commercial REIT's competitive rental pricing, he believes the company will be able to ride out the current office supply glut easily.

"We have survived [over the years]. If the buildings in town rent at my rental rate, they will lose money. During the opening of the Tun Razak Exchange, the rent offered was RM16 per sq ft (psf), but it was RM6 psf for G Tower," he said.

Read the full report in this week's The Edge Malaysia

Get the latest news @ www.EdgeProp.my

Subscribe to our Telegram channel for the latest stories and updates

Click here for more property stories

Looking for properties to buy or rent? With >150,000 exclusive listings, including undervalued properties, from vetted Pro Agents, you can now easily find the right property on Malaysia's leading property portal EdgeProp! You can also get free past transacted data and use our proprietary Edge Reference Price tool, to make an informed purchase.

IGB

REIT

OFFICES

PANDEMIC

EdgeProp

EdgeProp.my is Malaysia's most useful property website for home buyers and investors. At EdgeProp.my, you can find daily breaking news on property, and hundreds of thousands of properties for sale and rent with detailed information such as past transacted prices, maps and photos. We offer a full collection of the most popular property types in the market - condominiums and apartments, landed properties, residential land and commercial properties.

Whether you are looking to buy or rent properties, we have the most comprehensive property listings in Malaysia.

Interested in new property launches in Malaysia. Check out our featured new launches by the top property developers in Malaysia. COMPANY

Careers About Us

Terms and conditions

Privacy Policy

Contact us

SUBSCRIBE

email address

Facebook

Instagram Twitter

FOLLOW US



OUR WEBSITES

Subscribe