

IGB REIT to embark on intense marketing

Group aims to spur occupancy as the economy recovers

CORPORATE

KUALA LUMPUR: IGB Commercial Real Estate Investment Trust's (IGB Commercial REIT) outlook for 2022 is expected to remain stable, backed by better business conditions as the economy recovers.

Hong Leong Investment Bank Research (HLIB Research) said in a report that IGB Commercial REIT will continue with its efforts to maintain the physical conditions of the premises within its portfolio.

This includes assurance of indoor air quality while embarking on intense marketing that will be supported by attractive, flexible rental packages to boost occupancy.

"With the economic recovery, we foresee rental support to remain minimal.

"For its Kuala Lumpur suburban properties, around 70% to 75% of the workforce has returned to work, thus painting a promising picture of recovery," said HLIB Research.

IGB Commercial REIT's portfolio of properties include the Southpoint offices and retail spaces, The Gardens North Tower, The Gardens South Tower, Centrepont North, Centrepont South, Menara IGB and IGB Annexe, the Boulevard offices and retail spaces, GTower, Menara Tan & Tan and Hampshire Place Office.

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average portfolio occupancy fell slightly to 73% in 2021, compared with 76% in 2020.

"Most prominent improvements would be on Southpoint Properties whereby occupancy improved to 83% versus 49% in 2020.

"In contrast, the most noticeable drop in occupancy was seen in Centrepont North (from 91% in 2020 to 78% in 2021) and Boulevard Properties (from 92% to 69%). Meanwhile gearing stood at 26%."

IGB Commercial REIT announced a net profit of RM19.18mil for the fourth quarter ended Dec 31, 2021, against a revenue of RM46.26mil.

There are no comparative figures available as IGB Commercial REIT was established on March 31, 2021 and listed on Bursa Malaysia on Sept 20, 2021.

Earnings per unit for the fourth quarter were 0.83 sen. A distribution per unit of 0.99

sen was announced for the quarter.

Cumulatively, for the 12-month period ended Dec 31, 2021, IGB Commercial REIT recorded a net profit of RM22.01mil against a revenue of RM53.37mil.

Commenting on its prospects, IGB Commercial REIT said in a filing with Bursa Malaysia that the outlook for the commercial office segment is set to cautiously bounce back in the near term.

The company said it remains steadfast in catering to tenants' demand while continuing to drive improvements in its office premises.

"Given the challenging yet volatile business landscape, the prospect for commercial office is set to cautiously bounce back in the near term.

"IGB Commercial REIT remains dedicated to resiliency and generating long-term value creation for its stakeholders," it said.