

IGB REIT's property portfolio rises by RM166mil to RM5.186bil

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Mid Valley Megamall is worth RM3.79 billion as of September 30, 2023. Photo Credit: www.igbreit.com

KUALA LUMPUR: The revaluation of two investment properties owned by IGB Real Estate Investment Trust (IGB REIT) resulted in a revaluation surplus of RM166 million for the portfolio.

The manager of IGB REIT, IGB REIT Management Sdn Bhd, said in a filing with Bursa Malaysia that the portfolio's total investment property has been revalued at RM5.186 billion, up from RM5.02 billion previously.

Mid Valley Megamall, which opened in 1999 is worth RM3.79 billion, while The Gardens Mall is worth RM1.396 billion as of September 30.

Mid Valley Megamall, which has a gross floor area of 4.5 million square feet and a nett lettable area of 1.8 million square feet, is one of Malaysia's largest shopping destinations.

The mall has six retail levels and over 11,000 parking spaces. It is also the first retail hub to house four major anchor tenants under one roof namely, AEON BiG, Golden Screen Cinemas, AEON and Metrojaya.

The Gardens Mall, located in the heart of Mid Valley City, is a premium six-level shopping haven with over 200 outlets, including top fashion brands such as Louis Vuitton, Versace Collection, Hermès, and Burberry.

IGB REIT said in the stock exchange filing that the new valuations will be reflected in its unaudited interim financial results for the third quarter of 2023.

"The net asset value per unit of IGB REIT will be RM1.1223 upon incorporation of the revaluation surplus of RM166 million," it said.

The net profit of IGB REIT fell three per cent to RM80.97 million in the second quarter ended June 30, 2023 (2Q 2023) from RM83.47 million in the same quarter last year.

Revenue increased 5.8 per cent from RM133.76 million to RM141.54 million.

In a July stock exchange filing, the company said that the higher revenue was primarily due to higher rental income in the current quarter.

However, it said that the lower net property income of RM102.79 million compared to RM105.72 million a year ago and lower net profit were primarily due to higher utility expenses in the current quarter and a higher reversal for trade receivables impairment compared to the corresponding quarter in 2022.

Its distributable income for the second quarter of 2023 was RM87.2 million.