

IGB Commercial-REIT poised for growth on AEI

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PETALING JAYA: [IGB Commercial Real Estate Investment Trust's](#) (IGB Commercial-REIT) next leg of growth is expected to come from its positive rental reversions and asset enhancement initiatives or AEI.

RHB Investment Bank Bhd said because the REIT has a portfolio occupancy of above 94%, it sees less scope for the sizeable occupancy-driven earnings uplift that supported about 26% of its financial year 2026 distribution per unit's growth.

The REIT's portfolio comprises 10 commercial buildings strategically located in the Klang Valley, split between Mid Valley City and Kuala Lumpur Golden Triangle.

"Management expects low single-digit annual reversions, which we view as achievable, given the portfolio's tight occupancy and relative demand," it said in a report.

According to the research firm, Mid Valley City's average rent of RM7.10 per sq ft is already 20% more than KL Fringe's average of RM5.90 per sq ft.

RHB Investment Bank said this highlighted the premium commanded by IGB Commercial-REIT's mature integrated ecosystem and connectivity.

"At the same time, IGB Commercial-REIT's KL City assets average RM5.93 per sq ft, remaining about 13% below the broader KL City market at RM6.82 per sq ft, suggesting greater room for rental catch-up as leasing improves," the research firm said.

Its portfolio is also within the transit-orientated ecosystem, which should continue supporting tenant demand and occupancy.

As for the REIT's earnings, RHB Investment Bank said it estimates profit for the third quarter of 2026 to be between RM31mil and RM32mil, driven by sustained high occupancy, positive rental reversions and lower financing costs following the RM850mil refinancing completed in November last year.