

Highlight

Pavilion REIT's 2Q NPI up 18.8%, distributes 4.53 sen per unit

By Anis Hazim / theedgemaalaysia.com

17 Jul 2024, 09:13 pm



KUALA LUMPUR (July 17): Pavilion Real Estate Investment Trust's (KL:PAVREIT) net property income (NPI) increased 18.8% year-on-year in the second quarter ended June 30 (2QFY2024) to RM120.3 million against RM101 million a year ago.

The REIT's NPI for the three-month period increased to RM120 million compared with RM101 million in the same period last year. Quarterly distributable income expanded to RM74.8 million in 2QFY2024 from RM66.96 million in the previous year's corresponding quarter. Its quarterly rental income climbed 27.4% to RM185.29 million in 2QFY2024 from RM145.4 million a year ago.

Pavilion Bukit Jalil — acquired in June last year — and Pavilion Kuala Lumpur were the main growth drivers out of the six commercial properties in the REIT's portfolio, according to its filings with Bursa Malaysia. The REIT's other assets include Intermark Mall, Da Men Mall, Elite Pavilion Mall, and an office block— Pavilion Tower.

The income contribution for these two malls also offset the REIT's loss of advertising income from its Elite Pavilion Mall due to upgrading of the LED (light-emitting diodes) screen, the REIT said in filing.

Pavilion REIT, whose share price has risen 14.6% year-to-date, is distributing 4.53 sen per unit, of which 4.33 sen per unit is taxable and 0.2 sen non-taxable. The distribution is equivalent to its distributable income of RM165.8 million, or 4.53 sen per unit, for the six-month period ended June 30, which was up nearly 19% from RM139.39 million a year ago.

For the first half of FY2024, Pavilion REIT's NPI grew 26% to RM256.05 million from RM203.1 million a year ago, while rental income grew 33% to RM384.6 million from RM289.36 million a year before.

Moving forward, Pavilion REIT said it will continue to focus on cost management amid the rising cost of living, which may affect consumers across all income brackets. The REIT will also focus on refining its tenant mix and elevating its marketing efforts.

Qatar Holdings LLC is the largest unitholder with 27.59%, followed by the REIT's chairman Tan Sri Desmond Lim with 18.88%, the Employee Provident Fund with 9.01% and Lim's spouse Puan Sri Tan Kewi Yong, who is an executive director, with 7.71%.

Pavilion REIT's occupancy rates as at end-June 2024

Property	Occupancy rates (%)	Top 10 tenants' contribution to gross rent (%)
Retail		
Pavilion Kuala Lumpur	96.4	16.4
Pavilion Bukit Jalil	87.8	21.4
Intermark Mall	90.2	43.0
Da Men Mall	75.4	37.9
Elite Pavilion Mall	95.5	45.8
Office		
Pavilion Tower	75.0	N/A

Source: Pavilion REIT

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Shares of Pavilion REIT closed unchanged at RM1.41 on Wednesday, valuing the group at RM5.16 billion.

Edited By Kathy Fong