

Pavilion REIT 1Q DPU rises to 2.80 sen on stronger retail income

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(Pic credit: Pavilion Bukit Jalil)

PAVILION Real Estate Investment Trust (Pavilion REIT) posted higher distributable income and distribution per unit (DPU) for the first quarter ended March 31, 2026 (1Q26), driven by stronger contributions from its core retail assets.

Gross revenue rose 7.8% year-on-year to RM245.9 million from RM228.2 million, while net property income increased 11.3% to RM158.9 million from RM142.8 million previously.

Distributable income grew 12.4% to RM110.3 million, lifting DPU to 2.80 sen from 2.68 sen a year earlier.

The performance was mainly supported by Pavilion Bukit Jalil, which saw a 6.4% increase in net property income, underpinned by improved leasing activity and steady shopper traffic.

Pavilion Kuala Lumpur and Pavilion Bukit Jalil both maintained healthy occupancy and leasing demand.

Property operating expenses rose slightly due to higher maintenance costs, but the REIT still recorded stronger operating margins through efficiencies and cost controls.

Pavilion REIT Management Sdn Bhd CEO Datuk Philip Ho said the results reflect the resilience of its flagship assets and their ability to capture sustained consumer and tourism demand.

He said the group remains focused on operational execution, tenant curation and maintaining asset competitiveness, while navigating external cost pressures and global uncertainties.

Ho added that Pavilion REIT is well-positioned to benefit from future growth in consumer and tourism activity, supported by resilient domestic demand and strategic urban locations.

He also cited ongoing tourism campaigns and events as key drivers of footfall, particularly at Pavilion Kuala Lumpur, a major retail anchor in Bukit Bintang.

Malaysia's Visit Malaysia 2026 campaign, which targets 47 million tourist arrivals and RM329 billion in tourism receipts, is expected to further support retail spending and visitor traffic across key urban destinations. —

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