

Pavilion REIT's 1Q property income rises 11.5% amid increased occupancy, rental income

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KUALA LUMPUR (April 20): Pavilion Real Estate Investment Trust (REIT)'s net property income rose 11.5% to RM104.8 million in the first quarter ended March 31, 2023 (1QFY2023) from RM93.99 million in the same quarter a year earlier, as it reported stronger revenue thanks to higher rental income due to increased occupancy, rent revenue, and advertising and marketing income at its retail malls.

Revenue grew 16.23% to RM156.41 million from RM134.57 million, its bourse filing showed. Net profit was 7.37% higher at RM70.05 million versus RM65.24 million in 1QFY2022.

Distributable income rose 7.21% to RM72.43 million from RM67.56 million a year earlier. Distribution per unit for 1QFY2023 is 2.37 sen — the same as its 1FY2019, despite an increase in issued units — and would be payable together with the distribution for 2QFY2023 as the REIT distributes its income on a half-yearly basis.

Distribution yield stood at 7.2%, the REIT said, based on its units' closing price of RM1.34 on March 31.

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Its sole office asset Pavilion Tower, on the other hand, saw gross revenue fall 6.85% to RM2.31 million from RM2.48 million, and contributed RM508,000 in terms of NPI, down 62.5% from RM1.36 million previously.

On prospects, the REIT's manager expects consumer spending in retail sales to stay resilient despite concerns of rising cost of living, while operating costs will continue to be monitored to optimise efficiency in ensuring the needs of the stakeholders were balanced and not compromised.

“Pavilion REIT malls will continue to enhance its retail mix, create differential experiences to ignite love and passion for shopping, dining and leisure,” it added.

The REIT's unit price closed one sen or 0.76% lower at RM1.30, valuing the REIT at RM3.98 billion.