

PavREIT says Pavilion KL, Elite's footfalls unaffected by opening of TRX mall

By Justin Lim / theedgemaalaysia.com

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KUALA LUMPUR (April 23): While the opening of The Exchange TRX is anticipated to intensify competition in the malls sector, Pavilion Real Estate Investment Trust (PavREIT) said footfalls at its malls nearby — Pavillion KL and the connected Pavillion Elite — remain unaffected, and they are still enjoying over 95% occupancy rates.

PavREIT chief executive officer Datuk Philip Ho attributed this to the REIT's team, which continues to generate innovative and out-of-the-box ideas to keep patrons coming in.

The team also enhanced the shopping experience by bringing in new tenants. Overall, Pavilion KL remains a premier destination, attracting both local and international visitors with its wide range of shopping, dining, entertainment options and engaging events, Ho told *The Edge* after the REIT's annual general meeting on Tuesday.

Pavilion KL and the Pavillion Elite remained PavREIT's largest earnings contributors, accounting for about 77% (Pavillion KL) and 10.3% (Pavillion Elite) of its full FY2023 net

property income (NPI) of RM459.11 million. Other malls in its portfolio are: Intermark Mall, Pavilion Bukit Jalil and DA MEN Mall. It also owns an office building, Pavilion Tower.

Following the government's decision to waive entry visa for Chinese citizens to Malaysia in December last year, Ho is expecting PavREIT to continue to benefit from the influx of Chinese tourists.

Hence, Ho foresees the REIT's positive momentum from last year to continue in the coming financial year ending Dec 31, 2024 (FY2024).

"We foresee that the positive momentum will continue in FY2024 and we have observed encouraging indicators. This includes the sustained influx of Chinese and Southeast Asian tourists to Malaysia, which contributes significantly to foot traffic and consumer spending across our properties," he said.

PavREIT saw a 26% jump in its NPI for FY2023 to RM459.11 million from RM364.2 million in FY2022, as revenue rose 31.3% to RM723.81 million from RM551.35 million.

The improved results were attributed to Pavilion Bukit Jalil, which was acquired on June 1, 2023, coupled with higher occupancy rates and higher rental revenue from its existing malls.

The REIT declared a distribution per unit of 9.01 sen for FY2023, up from 8.37 sen in FY2022.

On Tuesday, PavREIT's unit closed unchanged at RM1.29, bringing the REIT a market capitalisation of RM4.72 billion.

Edited By Tan Choe Choe