

PavREIT's 1Q NPI jumps 33%, pays 2.48 sen distribution per unit

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Pavilion Real Estate Investment Trust posted a 33.2% increase of RM136.02 million in first quarter net property income year-on-year, contributed largely by newly acquired Pavilion Bukit Jalil.

KUALA LUMPUR (April 25): Pavilion Real Estate Investment Trust (PavREIT) reported that its first quarter net property income (NPI) jumped 33.2% year-on-year, thanks largely to contribution from its newly acquired mall, Pavilion Bukit Jalil. The increase was also attributed to higher occupancy rates and higher revenue rent from its other retail malls.

The REIT's NPI for the quarter ended March 31, 2024 (1QFY2024) rose to RM136.02 million from RM102.1 million in the previous year's corresponding quarter, with gross revenue climbing 39.7% to RM218.52 million from RM156.41 million, its bourse filing showed.

PavREIT declared a distribution of 2.48 sen per unit for 1QFY2024, to be paid with its distribution for the quarter ending June 30, 2024 (2QFY2024).

According to the REIT, its property operating expenses for the quarter surged 52% y-o-y due to operating expenses incurred for the new property, upgrading works, and higher utility costs driven by additional consumption under the hot weather.

“Due to the increase in property operating cost, Pavilion REIT will strive to manage its expenses to optimise efficiency,” it said.

Looking ahead, PavREIT cited a survey published by the Retail Group Malaysia that the biggest challenge for the retail industry in Malaysia will be the rising cost of living.

While the opening of The Exchange TRX is anticipated to intensify competition in the malls sector, PavREIT told *The Edge* on Monday that footfalls at its nearby malls — Pavilion KL and the connected Pavilion Elite — remain unaffected, and that they are still enjoying over 95% occupancy rates.

“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,” said PavREIT chief executive officer Datuk Philip Ho.

For 1QFY2024, Pavilion Kuala Lumpur Mall contributed the largest portion of its NPI with RM96.58 million, followed by Pavilion Bukit Jalil (RM26.76 million) and Elite Pavilion Mall (RM11.57 million). Meanwhile, Da Men Mall narrowed its loss to RM1.98 million from RM2.51 million.

Shares of PavREIT were up by one sen or 0.78% to RM1.30, valuing the group at RM4.75 billion.

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[*PavREIT says Pavilion KL, Elite's footfalls unaffected by opening of TRX mall*](#)

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