

Pavilion REIT's 3Q net property income rises 8.6%; distributes 2.38 sen per unit

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PAVILION

REAL ESTATE INVESTMENT TRUST



KUALA LUMPUR (Oct 24): Pavilion Real Estate Investment Trust (KL:[PAVREIT](#)) saw its net property income (NPI) rise 8.65% to RM131.86 million for the third quarter ended Sept 30, 2024 (3QFY2024), from RM121.35 million a year ago, due to lower property operating expenses, primarily driven by the reversal of doubtful debts provision.

However, this was offset by higher maintenance costs for Pavilion Bukit Jalil — which the REIT acquired in June 2023 — following the defect liability period. The higher utilities cost was mainly due to increased consumption, resulting from hot weather and the subscription to a green electricity tariff from Tenaga Nasional Bhd (KL:[TENAGA](#)), the REIT told Bursa Malaysia.

Quarterly revenue grew 4% to RM207.26 million from RM199.21 million, mainly contributed by higher rental income and income from marketing events and the exhibition centre at Pavilion Bukit Jalil.

The REIT's distributable income for 3QFY2024 expanded to RM86.96 million — consisting of income after tax of RM78.9 million, along with non-cash adjustments for depreciation of RM200,000, and amortisation of borrowing transaction costs of RM600,000 — compared with RM78.31 million for 3QFY2023.

The distribution per unit (DPU) for the quarter under review increased to 2.38 sen per unit, from 2.15 sen per unit in the corresponding period last year. This raised the total DPU for the nine months ended Sept 30, 2024 (9MFY2024) to 6.91 sen, compared with 6.56 sen in 9MFY2023.

Looking ahead, Pavilion REIT, whose share price has climbed over 28% year-to-date, expressed optimism about its prospects, given the robust domestic spending and investment activities. Besides cost management, the REIT noted that its malls will continue to enhance their retail mix and marketing initiatives to attract more shoppers and increase spending.

Apart from Pavilion Bukit Jalil, other properties in the REIT's portfolio include Pavilion Kuala Lumpur, Intermark Mall, Da Men Mall, and Elite Pavilion Mall, and the Pavilion Tower office block.

For 9MFY2024, the REIT's NPI climbed 19.55% to RM387.91 million from RM324.47 million, while revenue grew 21.6% to RM627.08 million from RM515.59 million.

On Thursday, units of Pavilion REIT fell one sen to RM1.58, giving the REIT a market capitalisation of RM5.82 billion.

Edited By Kathy Fong