

Malaysian real estate investment trust to acquire two Kuala Lumpur hotels

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Malaysian real estate investment fund Pavilion REIT Management plans to acquire two hotels in Malaysia's capital Kuala Lumpur for a total of 480 million Malaysian Ringgit (\$108.5 million).

According to a Dec. 5 news release, Pavilion REIT entered a conditional sale and purchase agreement for the 55-room Banyan Tree Kuala Lumpur and the 325-room Pavilion Hotel Kuala Lumpur. Newspaper The Edge Malaysia reports Pavilion REIT proposes to buy the Banyan Tree from Malaysian firm Lumayan Indah Sdn Bhd for 140 million ringgit and proposes to buy the Pavilion Hotel for 340 million ringgit from another Malaysian company Harmoni Perkasa Sdn Bhd.

The Banyan Tree opened in June 2018 and occupies part of a 60-floor building in the center of the city.

The Pavilion Hotel opened in December 2018. It operates as an independent hotel managed by Banyan Tree Hotels & Resorts, according to CoStar.

The Edge added that the Banyan Tree and the Pavilion Hotel were "indirectly wholly owned by Pavilion REIT major unitholder Tan Sri Lim Siew Choon," who also goes by the name of Desmond Lim Siew Choon. He also owns the city's Pavilion Mall shopping

center.

Pavilion REIT added it has put into place a fundraising exercise to secure “gross proceeds of a minimum of 264 million ringgit and a maximum of 552 million ringgit at an issue price to be determined by way of bookbuilding.”

The deals are expected to close in the first half of 2025.

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