

Pavilion REIT's 4Q net property income edges higher on stronger rental contributions from Pavilion Bukit Jalil

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KUALA LUMPUR (Feb 12): Pavilion Real Estate Investment Trust (Pavilion REIT) (KL:[PAVREIT](#)) reported a marginal increase of 0.2% in net property income (NPI) to RM134.86 million for the fourth quarter ended Dec 31, 2024 (4QFY2024), compared with RM134.64 million in the previous corresponding quarter.

In a filing with Bursa Malaysia on Wednesday, Pavilion REIT said the slight improvement was attributed to higher rental contributions from Pavilion Bukit Jalil and increased revenue from its exhibition centre, though partially offset by higher doubtful debts provisions and maintenance costs.

Quarterly gross revenue rose 5.1% year-on-year (y-o-y) to RM218.79 million from RM208.22 million, mainly driven by rental income growth.

The REIT's distributable income for 4QFY2024 stood at RM88.96 million, translating to 2.43 sen per unit, slightly lower than 2.45 sen per unit in 4QFY2023.

For the just-concluded financial year (FY2024), Pavilion REIT's net property income grew 14% to RM522.77 million, compared with RM459.11 million in FY2023, driven by higher rental income from Pavilion Bukit Jalil and Pavilion Kuala Lumpur malls.

Similarly, gross revenue for the full year rose 17% to RM845.87 million, supported by income from Pavilion Bukit Jalil, which was acquired in June 2023.

Pavilion REIT's distributable income for FY2024 rose 11% to RM341.69 million, compared with RM307.4 million in the previous year. The increase was supported by higher realised income, driven by stronger rental contributions.

The board declared a final income distribution of 4.81 sen per unit, bringing the total FY2024 distribution to 9.34 sen per unit, compared with 9.01 sen in FY2023. The final payout, amounting to RM176.1 million, is scheduled for Feb 28, 2025.

Pavilion Bukit Jalil driving overall rental income growth

The retail segment remained the key revenue driver, contributing RM836.36 million in FY2024, up 17% from RM714.58 million a year earlier.

Pavilion Bukit Jalil's revenue more than doubled during the year to RM211.03 million, supporting overall rental income growth. However, Da Men Mall continued to post losses, with a net property income loss of RM5.77 million for the full year.

The office segment saw a 3% y-o-y increase in net property income to RM2.02 million, despite a 10.9% decline in revenue due to lower rental income from Pavilion Tower.

Pavilion REIT said it remains optimistic about the retail sector, citing Malaysia's expected 3.9% retail industry growth in 2024 and sustained domestic consumer spending. The trust said it will closely monitor cost management to ensure efficiency while maintaining property upkeep and enhancements.

Additionally, it plans to strengthen partnerships and community engagement initiatives to sustain consumer spending momentum and capitalise on the tourism recovery.

On Wednesday, units of Pavilion REIT closed unchanged at RM1.54, giving the REIT a market capitalisation of RM5.64 billion.

Edited ByKamarul Azhar