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IGB REIT may buy properties in the US and Europe

KUALA LUMPUR: IGB Real Estate Investment Trust (IGB REIT) may consider inorganic expansion opportunities such as acquisitions in the United States or Europe in view of the dire financial situation there.

“In Europe or the United States you can get some properties at way below replacement costs. That is an area we can pursue for potential acquisitions.

“But what we prefer is to construct the mall ourselves and manage it before injecting it into the REIT,” [IGB REIT Management Sdn Bhd managing director Robert Tan](#) said at the launch of the IGB REIT prospectus here yesterday.

IGB REIT Management is the company that will manage IGB REIT.



Mega REIT: IGB REIT Management Sdn Bhd MD Robert Tan with chief financial officer Chai Lai Sim at growth of 15% to 20% this year. the launch of the IGB REIT prospectus. The listing of the largest retail REIT is slated for Sept 21. - THE STAR/FAIHAN GHANI

IGB REIT is a unit of [IGB Corp Bhd](#) and Tan is also group managing director of IGB Corp.

Based on the retail price of RM1.25 per unit, IGB REIT will provide a distribution yield of 5.1% on an annualised basis for the six-month forecast period ending Dec 31.

“We have to ensure that The Gardens and the Mid Valley Megamall are well-managed. Hopefully these investments will continue to see year-on-year growth and thereafter we will look at acquisitions,” Tan said.

A total of 670 million units of IGB REIT will be offered. Upon listing, IGB REIT will become the largest retail REIT in Malaysia with an asset value of RM4.6bil.

The listing will see the REIT being offered to institutional shareholders (13.8%), eligible IGB shareholders (3.5%), eligible

directors and employees (1.4%) while the Malaysian public will have the smallest share allocation of 1%.

The opening date for the institutional offering will be on Aug 28 and the closing date on Sept 6.

Balloting for the retail portion will be conducted on Sept 7 and IGB REIT will be listed on Sept 21.

The Mid Valley Megamall has an appraised value of RM3.44bil with net lettable area of 1.72 million sq ft and an occupancy rate of 99.8%, It has 6,092 car park bays.

The Gardens has an appraised value of RM1.16bil with net lettable area of 817,053 sq ft and an occupancy rate of 99.7%. It has 4,128 car park bays.

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