

IGB REIT sees 8% growth from Mid Valley Megamall, The Gardens Mall

Written by Siti Radziah Hamzah
Tuesday, 28 August 2012 00:56 -



IGB REIT Management Sdn Bhd, a unit of property developer IGB Corp Bhd, is looking "conservatively" at a year-on-year (YoY) growth of between 5% and 8% of the group's revenue and bottom line from its two major retail malls, Mid Valley Megamall and The Gardens Mall.

"Both malls still have a long way to go when it comes to bottom line. We have to make sure that these two properties are well managed and hopefully the investors will see the YoY growth and after that we will consider acquisitions," its managing director (MD) Robert Tan told reporters after the launch of IGB REIT prospectus in Kuala Lumpur, yesterday.

IGB Corp recorded a net profit of RM113.42 million in its six months ended June 30, 2012. Revenue increased by 34% to RM483.72 million due to contributions from all divisions compared to the first six months of 2011 which stood at RM361.04 million.

In the property investment division, Mid Valley Megamall and The Gardens Mall registered turnover growth of 6% and 10% respectively in the six months period while total rental income from the group's office buildings increased by 9% compared to the same period in 2011.

"Of course, we face a lot of competition from other malls but we are still seeing increase in the turnover (from our malls). We have to make sure that our shoppers here have a different experience," he said. Tan said the company was looking to acquire properties in Europe and the US due to low replacement cost of properties in those areas.

"At the moment, you can look at Europe and the US where we can get good deals there. We can get some properties way below replacement cost. That will be the area that we can pursue for acquisitions.

"What we prefer is to construct the mall on our own and manage it ourselves and later on we can inject into the REIT once it is fully leased," he said. The listing of IGB REIT on Bursa Malaysia is scheduled for Sept 21. The initial public offering (IPO) involves 670 million units at an initial retail price of RM1.25 apiece.

Following the IPO, IGB REIT will have a total of 3.4 billion units in issue. Of these, 469 million units will be offered to institutional investors and selected investors while the remaining 201 million units will be offered to the Malaysian public.

IGB REIT sees 8% growth from Mid Valley Megamall, The Gardens Mall

Written by Siti Radziah Hamzah
Tuesday, 28 August 2012 00:56 -

The opening date for the retail offering started yesterday and will continue until Sept 4 while opening of the institutional offering starts today and will continue until Sept 6. The portfolio of IGB REIT comprises Mid Valley Megamall and The Gardens Mall with a total net lettable area of over 2.5 million sq ft.