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# IGB REIT's 3Q NPI jumps 81%

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KUALA LUMPUR (Nov 3): IGB Real Estate Investment Trust's (IGB REIT) net property income (NPI) for the third quarter rose 80.95% to RM101.19 million from RM55.92 million a year earlier, mainly due to lower rental support to tenants arising from the economic reopening and improved retail sales of tenants.

The REIT, which owns the Mid Valley Megamall and The Gardens Mall, declared a distribution per unit of 2.44 sen for the quarter ended Sept 30, 2022 versus 1.18 sen previously. Total distributable income doubled to RM89.6 million from RM43.14 million.

For the nine months ended Sept 30, IGB REIT logged an NPI of RM314.61 million, 73.39% higher than the RM181.44 million in the corresponding period last year.

Going forward, IGB REIT said the group will stay resilient and remain committed to bringing about long-term value for its stakeholders, in spite of the backdrop of rising prices of retail products affecting consumer purchasing power, and the manpower shortage affecting sales and operation of retail outlets.

"With a broad subsidisation policy keeping inflation down, retail sales have been surging partly on a low-base effect and also arising from the pent-up demand, reflective particularly festivity-driven spending.

Meanwhile, its sister REIT, IGB Commercial REIT, posted an NPI of RM25.84 million for the third quarter, on revenue of RM45.48 million. Distributable income amounted to RM17.4 million.

For the nine-month period, IGB Commercial REIT logged an NPI of RM86.4 million, while revenue stood at RM141 million.

The REIT said that while there are positive signs in the commercial office market, the headwinds presented by the continued supply of office space, rising interest rates and political uncertainties cannot be neglected.

IGB REIT and IGB Commercial REIT are owned 48.38% and 51.54% respectively by property firm IGB Bhd.