

## IGB REIT to acquire Mid Valley Southkey Mall in Johor for RM2.65 bil

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The Mid Valley Southkey Mall in Johor Bahru. (Photo by Low Yen Yeing/The Edge)

KUALA LUMPUR (June 24): IGB Real Estate Investment Trust (KL:[IGBREIT](#) [ASK](#) [EDGE](#)) on Tuesday announced that it is planning to buy the Mid Valley Southkey Mall in Johor Bahru for RM2.65 billion in a cash-and-units deal, marking its maiden foray into Johor.

The five-storey mall, with over 1.5 million sq ft of net lettable area, forms part of the integrated Mid Valley Southkey development located near the Johor-Singapore Causeway, according to IGB REIT in a bourse filing Tuesday.

The trustee for IGB REIT, MTrustee Bhd, has signed a conditional sale and purchase agreement with Southkey Megamall Sdn Bhd (SMSB) for the related-party acquisition. SMSB is a 70%-owned unit of IGB Bhd, the sponsor and major unitholder of IGB REIT with a 53.9% stake.

The consideration is the same as the market value ascribed for the asset by Henry Butcher Malaysia Sdn Bhd, the independent valuer appointed by the trustee.

The deal will be funded through a combination of RM1 billion in cash and RM1.65 billion worth of new IGB REIT units to be issued to SMSB at RM2.36 per unit. As at end-March 2025, IGB REIT's cash and bank balances stood at RM248.87 million, while its borrowings stood at RM1.20 billion.

Subject to unitholder and regulatory approvals, the acquisition is targeted for completion in the fourth quarter of 2025. Post-acquisition, it will push IGB REIT's value of total investment properties above RM8 billion.

“MVS [Mid Valley Southkey] Mall is poised to be a significant addition to IGB REIT's portfolio, providing stable recurring income and strong growth potential,” the group said in a statement, adding the buy will complement its existing Mid Valley Megamall and The Gardens Mall in Kuala Lumpur.

The REIT is targeting a net property income (NPI) yield of 7.2% from MVS, based on the mall's performance for the financial year ended Dec 31, 2024 (FY2024). The mall generated RM268.68 million revenue last year, and has a net book value of RM1.1 billion as at end-2024.

As of May 2025, the six-year-old mall has an occupancy rate of 94.98% and houses anchor tenants including SOGO, Village Grocer, Golden Screen Cinemas, Aurum Theatre, Mid Valley Exhibition Centre (MVEC) Exhibition Hall, and offers 5,617 parking bays.

Shares in IGB REIT settled two sen or 0.87% lower at RM2.28 on Tuesday, giving the REIT a market capitalisation of RM8.26 billion.

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