

IGB Commercial-REIT explores new acquisitions

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IGB Commercial REIT joint deputy chief executive officer (commercial) Irene Sin May Lin.

PETALING JAYA: IGB Commercial Real Estate Investment Trust  (IGB Commercial-REIT) is exploring growth opportunities via new acquisitions and portfolio diversification.

IGB Commercial-REIT joint deputy chief executive officer (CEO) (commercial) Irene Sin May Lin (pic) said acquiring new assets and diversifying the REIT's existing portfolio remains a key part of its strategic focus.

"Aside from the commercial office sector, we also have a mandate to acquire assets in other sectors, such as industrial, education and healthcare," she told StarBiz.

Internally, Sin said IGB Commercial-REIT has existing rights of first refusal for the acquisition of real estate properties from its sponsor, IGB Bhd .

"The sponsor currently owns a suite of investment properties, including commercial buildings such as North Tower @ Mid Valley Southkey and South Tower @ Mid Valley Southkey, both located within the integrated Mid Valley Southkey development in Johor Baru.

“We are continuously reviewing acquisition opportunities in the market and will only take action if they fit our overall criteria and, most importantly, are yield-accretive to our unitholders,” she said.

IGB Commercial-REIT’s assets, which are located within Mid Valley City and the Kuala Lumpur City Centre, include Southpoint offices and retail, The Gardens North Tower, The Gardens South Tower, Centrepont North, Centrepont South, Menara IGB and IGB Annexe, Boulevard offices and retail, G Tower, Menara Tan and Tan and Hampshire Place Office.

Sin, who is also the CEO of IGB Property Management, said the commercial real estate market in 2025 is becoming “increasingly discerning.”

“With an oversupply of space and the rise of flexible working models, tenants are more selective, prioritising buildings that deliver long-term value.

“While this environment poses challenges for older and less competitive assets, demand for premium Grade A and green-certified buildings remains strong.”

Sin said she is also seeing a pronounced ‘flight-to-quality,’ with multinational corporations and larger occupiers anchoring themselves in buildings that align with their environmental, social and governance (ESG) commitments and future growth strategies.

“In this sense, the market is not contracting but recalibrating; favouring assets with strong fundamentals and future readiness.

“We expect the remainder of 2025 to reinforce this trend, where quality and sustainability continue to drive demand, even amid more measured leasing activity due to cost pressures and upcoming tax changes.”

Sin said she viewed these “dynamics” as opportunities.

“Our focus remains on strengthening our portfolio through proactive asset enhancement, advancing sustainability initiatives, and delivering flexible solutions that meet evolving tenant needs.

“We have made significant progress in achieving green certifications across our portfolio, underscoring our commitment to efficiency, sustainability, and long-term value creation.”

Sin said this positioned IGB Commercial-REIT not only to retain existing tenants, but also to attract new demand from businesses that recognised the benefits of operating in well-managed, sustainable environments.

Looking at today’s increasingly competitive commercial market, Sin said sustaining occupancy and rental income requires more than just “offering office space.”

“It means anticipating and responding to the evolving priorities of tenants. ESG has become central to corporate strategies, where sustainability, energy efficiency, and green certifications are now viewed as essential features and long-term investments.

“At the same time, tenants are seeking a mix of core and flexible space solutions that adapt to changing business models, along with facilities that enhance wellbeing, collaboration, and productivity.”

Sin revealed that the company’s recent tenant survey across IGB Commercial-REIT buildings, showed that a majority of the tenants’ workforce comprised millennials (those born between 1981 and 1996) and Gen Z age-profile (1997 to 2012).

“This younger demographic brings new workplace expectations. Beyond functionality, they value purpose, community and wellbeing.”

For landlords, Sin said this meant going beyond infrastructure to curate experiences, foster culture and build ecosystems that support both professional and personal growth.

“The trends shaping competitiveness are clear: flexible space strategies that give companies agility, continuous asset enhancement to keep buildings relevant, modern amenities that enrich work-life, and strong alignment with ESG commitments.

“These are not temporary adjustments but structural shifts in the way commercial real estate must operate. Those who adapt with consistency and foresight will be best positioned to sustain long-term value and capture new opportunities.”

For the second quarter ended June 30, 2025 (2Q25), IGB Commercial-REIT's net profit rose to RM29.65mil from RM16.53mil in the previous corresponding period, while revenue grew to RM64.59mil from RM57.29mil a year earlier.

Sin said IGB Commercial-REIT's performance so far this year has been encouraging.

"The 12.7% increase in total revenue in 2Q25 compared to the same period last year reflects the strength of our strategies and the resilience of our portfolio. We also recorded improvements in both the average occupancy rate and average rental rate across our portfolio, reaching the highest levels since our listing in September 2021.

"This achievement, supported by strong tenant renewal levels, validates our asset management capabilities and the sustained appeal of our properties."

Looking ahead, Sin remains optimistic about sustaining this positive trajectory.

"With strong fundamentals, a focused strategy and a healthy pipeline of initiatives, we remain confident of delivering robust performance for the full year and creating long-term value for our stakeholders."