

Sunway REIT sees sustainable recovery

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PETALING JAYA: [Sunway Real Estate Investment Trust](#)  's (Sunway REIT) net property income (NPI) increased 3.6% for the fifth quarter of the financial period ending Dec 31, 2021 (FP21) from RM68.1mil in the first quarter of FP21.

This was achieved on the back of lower property operating expenses.

For the fifth quarter of FP21, Sunway REIT reported gross revenue of RM106.9mil, compared with RM107.4mil in the first quarter of FP21.

No income distribution was proposed for the three months to September 2021, as the income distribution frequency of Sunway REIT had changed from quarterly to semi-annually since 2020.

In a statement, it said the gross revenue was marginally lower due to reduced contribution from the retail segment, which was impacted by the enhanced movement control order and National Recovery Plan Phase One.

“The impact was partially mitigated by higher gross revenue from the office and services segments,” it explained.

Cumulatively, Sunway REIT reported gross revenue of RM517.8mil and NPI of RM334mil for the 15 months of FP21.

It said its overall performance during the period was impacted by the various phases of movement control orders.

“The retail segment recorded encouraging recovery in the first quarter of 2021 following the easing of movement restrictions before the momentum retracted subsequently with the resurgence of Covid-19 cases in September 2020, which has led to the reintroduction of targeted restrictive movement measures.”

For the 15 months of FP21, the retail segment recorded gross revenue of RM311.6mil and NPI of RM164.1mil. The average occupancy rate for the retail segment remained stable at above 90%.

Sunway REIT chief executive officer Datuk Jeffrey Ng said: “Undoubtedly, the pandemic had adversely impacted many businesses, not to mention that it had severely impacted our tenants’ operations.

“Looking back, we are heartened that the asset managers proactively worked hand-in-hand to establish the rental and marketing assistance programme as well as a third-party financing programme for affected tenants.

“The bonds and trusts forged in this tumultuous period had allowed us to maintain a strong occupancy rate in our asset portfolio,” Ng said.

He added that Sunway REIT is in a strong position to ride on the economic recovery.

Ng pointed out that the group is currently exploring acquisition opportunities presented following the fallout of the pandemic.

He said Sunway REIT is in a favourable position to capitalise on yield-accretive acquisition opportunities, given its healthy balance sheet and debt headroom.

“As Malaysia gradually transitions from pandemic to endemic, we expect full reopening of the economy and further easing of interstate border restrictions, followed by the reopening of the international borders, which is paramount for a true restart of the tourism industry.

“We observed encouraging return of footfall within our assets portfolio, indicating green shoots of sustainable business recovery, moving forward,” he added.