

Sunway REIT Records 64% Increase In Revenue As Retail Footfall Fully Recovers

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Editor

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Sunway REIT Management Sdn. Bhd., the Manager of Sunway Real Estate Investment Trust has released its financial results for the financial period which the group lists as the Sixth quarter.

The property manager reported 64.8% jump in gross revenue to RM157.8 million in 6Q FP2021, from RM95.8 million in 2Q FP2021, contributed by higher gross revenue from all segments and recognition of unrealised unbilled lease income receivable of RM19.6 million under Malaysian Financial Reporting Standard (MFRS) 16 Leases.

Excluding the unrealised unbilled lease income receivable, gross revenue rose 44.3% compared to 2Q FP2021. Correspondingly, net property income (NPI) increased 86.5%, to RM123.1 million. Realised income more than doubled to RM72.7 million for the quarter under review

For the quarter under review, gross revenue for the Retail segment rose 62.7% to RM92.4 million, compared to RM56.8 million posted the year before. The improved financial performance was attributed to encouraging recovery in the retail footfall and retail sales pursuant to the easing of movement restrictions compared to operating under the conditional movement control order in the same period last year. Retail footfall and retail sales have returned to normalcy compared to preCOVID-19 towards the last three months of the year. NPI jumped almost two-fold to RM65.8 million in 6Q FP2021 compared to RM33.9 million in the same period last year.

The Hotel segment recorded gross revenue RM9.8 million in 6Q FP2021, an increase of 24.0% compared to the corresponding quarter in the preceding year. Gross revenue for the Office segment surged 31.4% to RM19.1 million in 6Q FP2021, from RM14.5 million in the corresponding period in the preceding year.

For the quarter under review, gross revenue and NPI for the Services segment edged up 2.3% to RM15.3 million compared to 2Q FP2021, attributed to annual rental reversion of Sunway Medical Centre (Tower A & B) and Sunway university & college campus.

Meanwhile, gross revenue and NPI for the Industrial & Others segment remained stable at RM1.5 million in 6Q FP2021.

For the cumulative 18-month financial period under review, Sunway REIT reported gross revenue of RM675.6 million and NPI of RM457.1 million, attributed to soft performance from Retail and Hotel segments amid various phases of Movement Control Order (MCO) and NRP nationwide, international border closures, as well as the temporary closure of Sunway Resort Hotel for refurbishment. This was partially cushioned by higher revenue from Office, Services, and Industrial & Others segments.

The Retail segment showed encouraging recovery in retail footfall and retail sales for FP2021, Retail segment recorded gross revenue of RM404.0 million and NPI of RM229.9 million after taking into account of provision of rental support to affected tenants on a case-to-case basis. The average occupancy rate for the Retail segment remained stable at 97%.

Dato' Jeffrey Ng, Chief Executive Officer of the Manager, commented, "It is heartening to observe that retail footfall and retail sales for Sunway REIT have returned to 100% normalcy" he added, "Sunway REIT expects the business performance to improve in FY2022, supported by reopening of all economic sectors, healthy economic growth, positive progress in booster vaccination rate, re-opening of Sunway Resort Hotel and new income contribution from the completed expansion of Sunway Carnival Shopping Mall."