

# Sunway REIT Management acquires land with buildings in PJ for RM60.05mil

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By [Azanis Shahila Aman](#) - June 23, 2022 @ 7:35pm



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Sunway REIT Management chief executive officer Datuk Jeffrey Ng said its strong balance sheet places the company in a position of strength to continue its active pursuit of yield-accretive acquisition opportunities in the market.

Ng said the acquisition is in line with Sunway REIT's strategic direction to expand its asset portfolio in the industrial segment.

"The property is strategically located in an established industrial zone in Petaling Jaya, easily accessible via major roads and expressways such as Federal Highway and Lebuhraya Damansara-Puchong.

"The manager is actively looking for quality anchor lessees, given the size and strategic location of the property," he said in a statement.

The property sits on a 1.47-hectare freehold industrial land which consists of a double-storey building and a five-storey building, with a total gross floor area (GFA) of 497,487 square feet.

Sunway REIT's existing debt programme will fully fund the acquisition.

Its gearing ratio is expected to increase from 37.2 per cent as of December 31, 2021, to 37.6 per cent upon the completion of the acquisition.

The post-acquisition gearing is considerably below the statutory gearing limit permissible by the Guidelines on Listed Real Estate Investment Trusts by the Securities Commission.

Based on the gearing limit, Sunway REIT has a large debt headroom to pursue acquisition opportunities from its sponsor and third parties.

According to Sunway REIT, the acquisition is expected to be completed in the second half of 2022, subject to fulfilling the condition precedents in the SPA.

Upon completion of the acquisition, Sunway REIT's property value will increase to RM8.80 billion, from RM8.74 billion as of December 31, 2021.

"The asset portfolio composition for the Industrial & Others segment will increase from 1.1 per cent to 1.8 per cent upon completion of the proposed acquisition, based on property value as of December 31, 2021," it added.