

Hotel segment boosts SunREIT's performance in 3Q

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KUALA LUMPUR: Sunway Real Estate Investment Trust (REIT) experienced a surge in revenue from its hotel business as the occupancy rate recovered amid an uptick in domestic and international leisure business, and full room inventory at Sunway Resort Hotel since July 2023.

The segment's performance underpinned the overall performance of SunREIT, which reported a net profit of RM91.97mil in 3Q23, on a par with RM91.91mil posted in 3Q22, resulting in an unchanged earnings per share of 2.54 sen.

Revenue for the current quarter was RM175.84mil, up from RM166.24mil.

"The encouraging performance was underpinned by the stronger pick-up in domestic travellers in conjunction with festive seasons and school holidays, a steady recovery in international travellers, and increased demand for MICE activities.

"This was further boosted by a full inventory of 460 rooms at the newly refurbished Sunway Resort Hotel since July 2023, following its phased reopening in May 2022," said SunREIT in a statement as it released its latest quarterly results.

The REIT said revenue contribution from the hotel segment jumped 51% to RM27.9mil from RM18.4mil in the same quarter in 2022.

In tandem, segment net property income (NPI), climbed 53% from RM17.5mil in 3Q22 to RM26.9mil in the quarter under review.

Despite the improved performance, CEO of the REIT manager Clement Chan said the hotel segment's performance has yet to fully return to pre-pandemic levels, although it is expected to continue its strong growth trajectory in the final quarter of 2023.

"We are confident that the new offerings at Sunway Resort Hotel will expand the breadth of its clientele and grow its market share," he added.

Meanwhile, SunREIT reported that the services segment registered a contraction in revenue and NPI by 13% to RM13.8mil in 3Q23, in contrast to RM15.8mil in 3Q22, following the completion of the disposal of Sunway Medical Centre on Aug 30, 2023, resulting in the cessation of its rental contribution.

Over a nine-month period, SunREIT recorded a net profit of RM260.62mil versus RM272.74mil in 3Q22 while revenue was RM525.17mil, against RM464.71mil in the previous comparative quarter.