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Hektar Reit posts 8.9pct higher income in Q1 (New Straits Times-29 May 2025)



Hektar Asset executive director and chief executive officer Zainal Iskandar

KUALA LUMPUR: Hektar Real Estate Investment Trust (Hektar Reit) posted RM30.9 million revenue in the first quarter of financial year 2025 (Q1 FY25), up 8.9 per cent from RM28.4 million a year earlier.

This was driven by income contributions from the newly-acquired Kolej Yayasan Saad (KYS) education asset and improved performance from Hektar Reit's retail properties.

Its net property income rose 4.4 per cent to RM15 million, while net realised income stood at RM4.2 million, lower than the RM5.1 million in the same quarter last year.

This was due to the absence of one-off fund placement income recognised in prior period and slightly higher administrative and financing expenses.

In line with its environmental, social and governance (ESG) ambitions, Hektar Reit partnered with Samaiden Group Bhd to implement solar project at five of its shopping centres.

The initiative is projected to deliver long-term energy cost savings of about RM2.05 million annually or RM41.3 million over 20 years.

The Reit's manager Hektar Asset Management Sdn Bhd, said in a statement that a comprehensive asset enhancement initiative is underway at Subang Parade, with the first phase of interior upgrades targeted for completion by the first quarter of 2026.

Hektar Asset executive director and chief executive officer Zainal Iskandar said the positive start to the Reit's financial year is encouraging, supported by the strategic diversification of portfolio and prudent cost management.

"Our retail assets are now consistently recording positive rental reversions, while our education asset continues to provide consistent income.

"These results reflect our continued discipline in maintaining stable returns and strengthening the resilience of our portfolio," he added,

The company remains optimistic on the value enhancements to be generated by its retail assets upon completion of asset enhancement initiatives and strategic leasing initiatives.

It noted that early gains are already seen in elevated occupancy rate which currently stands at 85.6 per cent, positive rental reversions and higher footfall, boosting yields across Hektar malls.

It added that the acquisition of a 15-year master-leased industrial asset in Bayan Lepas Free Industrial Zone is progressing as planned and is poised to further diversify and strengthen the Reit's income profile.

Hektar Reit's total assets stood at RM1.44 billion as at March 31, 2025, while the net asset value per unit was RM1.0396.

Hektar Reit's portfolio of diversified properties includes Subang Parade in Selangor, Mahkota Parade and Kolej Yayasan Saad in Melaka, Wetex Parade & Classic Hotel and Segamat Central in Johor, as well as Central Square and Kulim Central in Kedah.