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KLCCP on strong footing after securing new tenant



Group chief executive officer Datuk Hashim Wahir (filepic) said that after having secured the new tenant, including Exxon-Mobil which had signed a long-term lease agreement to take up about 60% of Menara Exxon-Mobil, the company could possibly have a better income stream, going forward.

KUALA LUMPUR: KLCCP Stapled Group Bhd, which has recently secured a tenant to take up about 40% of Menara Exxon-Mobil, expects to be financially stable by year-end.

Group chief executive officer Datuk Hashim Wahir said that after having secured the new tenant, including Exxon-Mobil which had signed a long-term lease agreement to take up about 60% of Menara Exxon-Mobil, the company could possibly have a better income stream, going forward.

“Our numbers have been down since we lost Exxon-Mobil, but we are expecting to make this up from some other increases in assets in the near term,” Hashim said after a presentation at Invest Malaysia.

In April, KLCCP was reported to be negotiating with a potential tenant to take up 40% of Menara Exxon-Mobil and was targeting to conclude the deal by June.

Exxon-Mobil has signed a long-term lease agreement with the group for Menara Exxon-Mobil but will only take about 60% as compared to its previous 100% commitment after the lease expired at end-January this year.

Hashim said with the market sentiment still soft, the outlook of the retail sector would be challenging in the short term.

“Although we have benefited from being held by Petronas, we will be consolidating all of the office occupancy within Kuala Lumpur in our properties.”

KLCCP’s property portfolios include Suria KLCC, Mandarin Oriental Hotel, Kompleks Dayabumi and Menara Maxis.

The company also owns KLCC REIT Management Sdn Bhd and subsidiaries, providing facility and car park management services.

On rental reversion, Hashim said if it managed to sustain a reversion rate in the single digit or in the low fives, it is still good, especially in the current condition.

Last year, KLCCP’s reversion rate stood at about 5% to 6%.

On the oversupply of malls in the Klang Valley, Hashim said this was an issue of approvals granted by the authorities.

“Developers have been given the approvals by the authorities to develop these malls and we can’t stop them. Hence, we are faced with the oversupply issue.

“What we need to do is to be steadfast in our management and our vision is to make our mall a choice for customers,” he noted.