

Axis-REIT acquires logistics warehouse facility in Johor for RM390mil

By [Farah Adilla](#) - April 11, 2022 @ 7:02pm



Axis REIT Managers Bhd chief executive officer and executive director Leong Kit May said the acquisition would be the largest to date since the fund's establishment.

KUALA LUMPUR: Axis Real Estate Investment Trust (Axis-REIT) is acquiring a 1.55 million sq ft logistics warehouse facility in Pelabuhan Tanjung Pelepas (PTP), Johor, for RM390 million.

In a statement today, the company said its trustee, RHB Trustees Bhd, has entered into a sale and purchase agreement with Equalbase PTP Sdn Bhd (EPSB) for the deal.

Upon completing the proposed acquisition, which is expected to be by mid-2022, Axis REIT will lease the property back to EPSB for ten years.

For the first three years, the monthly rental will be RM2.17 million, with upward adjustments at the start of year four until year 10.

Axis REIT Managers Bhd chief executive officer and executive director Leong Kit May said the acquisition would be the largest to date since the fund's establishment.

"This highlights Axis-REIT's intent to grow by acquiring high-quality properties that are earnings accretive and with strong value propositions.

"The property, a modern ramp-up logistics facility and well equipped for logistics purposes, is located within the vicinity of PTP, Malaysia's premier trans-shipment port.

"Furthermore, the property is a certified green building by Green Building Index (GBI), and the proposed acquisition signifies Axis-REIT's commitment towards environmental, social and governance goals (ESG) and to generate sustainable income for the fund," he said.

Meanwhile, Axis-REIT said that based on the valuation report by First Pacific Valuers Property Consultants Sdn Bhd dated March 31, 2022, the property's market value is RM390.0 million.

The property is strategically located within the PTP Free Trade Zone and near the Tuas checkpoint in Singapore.

Axis-REIT said the proposed acquisition would be funded by bank financing, increasing Axis-REIT's gearing ratio to 37.2 per cent of its audited total assets as of December 31, 2021.