

REIT sector stands to benefit from collective representation

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KUCHING: The Malaysian REIT Managers Association (MRMA) aims to establish a framework for the development of the real estate investment trust (REIT) industry as well as to coordinate investment opportunities and networking in the region.



MRMA EXECUTIVE COMMITTEE MEMBERS: (from left) Chan (secretary), Adenan (vice chairman), LaBrooy (chairman), Lim (vice chairman) and Zalila (treasurer).

MRMA held its annual general meeting recently, where ten REIT managers participated in the election of the association's office bearers. The elected representatives would subsequently represent the Malaysian REIT industry overall.

The ten REIT managers were Atrium REIT Managers Sdn Bhd (Atrium REIT), AmARA REIT Managers Sdn Bhd (AmFirst REIT), Axis REIT Managers Bhd (Axis REIT), AmanahRaya REIT Managers Sdn Bhd (AmanahRaya REIT), Boustead REIT Managers Sdn Bhd (Al-Hadharah Boustead REIT), Damansara REIT Managers Sdn Bhd (Al-Aqar KPJ REIT), Hektar Asset Management Sdn Bhd (Hektar REIT), UOA Asset Management Sdn Bhd (UOA REIT), GLM REIT Management Sdn Bhd (Tower REIT) and Sunway City Bhd (Sunway REIT).

The elected executive committee members were chief executive officer (CEO) of Axis REIT Stewart LaBrooy (chairman), CEO of AmFirst REIT Lim Yoon Peng and CEO of AmanahRaya REIT Adenan Md Yusof (vice-chairman one and two respectively), CEO of Hektar REIT Zalila Mohd Toon (treasurer) and CEO of Tower REIT Chan Wan Leong (secretary).

"With an official association representing the members of the Malaysian REIT (M-REIT) industry, we will now be able to have an effective dialogue with the regulators and the Ministry of Finance in order to convey the issues facing the industry. We also hope to propose changes that will benefit the industry especially the investing public and institutions," said MRMA executive committee chairman, LaBrooy.

He highlighted the current tax concessions granted by the Ministry of Finance for REITs would run out in 2011 and hence there was an urgent need to ensure that M-REITs would continue to benefit from a similar or enhanced tax regime in the coming years.

MRMA was proposing zero tax for individual investors and a flat withholding tax of 10 per cent for all investors. The sector was expected to grow further with more new REITs seeking listing and current REITs planning to expand their portfolios.

LaBrooy said that MRMA members felt that there was an urgent need for regulators to review the current industry guidelines which have not kept pace with other jurisdictions where many accommodative changes were penned in response to the global financial crisis.

He went on to say that Malaysia still lagged competitively especially in the areas of withholding tax and raising of new capital. Furthermore MRMA members felt that the current environment for capital raising was restrictive and needed to be liberalised.

LaBrooy further stated that REITs with assets under management below RM2 billion should be allowed without restriction to grow through multiple placements in a given 12-month period as and when the need arose to raise capital for acquisition purposes.

In addition MRMA members also felt that there was a need for a speedier mechanism to bring right issues to the market as the current timeframe took far too long.