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LTH still has RM3.5b in property purchase fund

KUALA LUMPUR: Lembaga Tabung Haji (LTH), which is in the midst of finalising its first commercial property acquisition in London, still has the cash to make more acquisitions going forward, its group managing director and CEO Datuk Ismee Ismail said.

The pilgrims fund board has only used half of the RM7 billion it has allocated to acquire real estate in Malaysia and overseas.

Ismee said the RM7 billion fund accounted for 20% of the total funds managed by LTH, currently amounting to RM35 billion.

"I think we are still under-invested. The investment in real estate has not touched RM7 billion. Our focus firstly will be on properties in Malaysia, which we have started doing for the past three years," he said.

Ismee said the remaining RM3.5 billion allocation may not be used up entirely this year even though there were many viable properties up for grab.

"Buildings are plenty but we have to be cautious in our evaluation before acquiring any of them."

On the proposed acquisition of the commercial building in London, he said the deal, estimated at 165 million pounds, was expected to be completed by September.

"In the UK, we wanted to buy commercial buildings and not hotels or housing because we want to get the rent which is reasonable and the rental is for long tenure.

"Like the present building we are evaluating, the tenure is for 13 years," he added.

— Bernama