

Ingenieur is making inroads into the property investment market because of demand and better margins

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Ingenieur Gudang Bhd is looking to make inroads into the property investment market because it has higher demand and better margins, says its executive director Melvin Lim.

Lim said that the company (formerly known as Dynaciate Group Bhd) is constantly looking for new land banks or properties in accessible locations with development potential.

"In the future, we hope to generate good profits for the group from recurring rental income and property appreciation value," Lim said in a stock exchange filing.

According to Ingenieur, property investment is expected to generate long-term rental income for the group by capitalising on domestic e-commerce growth.

Since June, Ingenieur has acquired four assets, including land and a building.

On June 14, it paid RM12 million for a freehold industrial land parcel with buildings in Bentong, Pahang. A week later, it signed an RM15 million sale and purchase agreement (SPA) for a piece of freehold industrial land in Nilai, Seremban.

On July 29, Ingenieur announced a conditional SPA to acquire 435,002 sq ft of floor space in a shopping complex in Pandan Perdana, Ampang, for RM9.07 million, with plans to repurpose it as a warehouse and storage.

The most recent purchase was a 9.32-acre leasehold industrial land parcel in Bandar Puncak Alam, Selangor, for RM30.45 million.

Magnitude Resources Sdn Bhd, Ingenieur's wholly-owned subsidiary, signed a conditional SPA for the said land with Yuwang Development Sdn Bhd and Global Bloom Sdn Bhd.

Given Puncak Alam's strategic location, the company intends to develop the land into warehouse storage space aimed at courier and logistics market players.

Lim said in the filing that the property's strategic location in Puncak Alam, which is part of the Kuala Selangor district, is ideal for warehousing and logistics because it is connected by several major highways and surrounded by industrial, commercial, and residential developments.

The deal is subject to shareholder approval and is expected to close in the third quarter of 2024.