

Cebu Landmasters posts record 66% net income hike in 2017

VisMin real estate powerhouse Cebu Landmasters Inc. (CLI) ended 2017, 6 months after it became a listed company, with a record 66% increase in net income surpassing the P1.2-billion target. CLI reported a net income of P1.294 billion last year with revenues reaching P3.929 billion, another record-setting 66% hike from its 2016 earnings of P2.361 billion.

“We are proud of the exceptional 2017 performance of the company and are grateful for the trust given to us by our buyers and shareholders. It’s our banner year and in 2018, we will continue to deliver outstanding value as we aim to become the leading local real estate developer in the VisMin region,” said Jose R. Soberano III, CLI chairman and CEO.

Real estate sales from CLI's diversified portfolio of housing, offices and hospitality projects, accounted for the company's outstanding performance in 2017. The property developer reported excellent operational efficiency in the year in review leading to high profit margins with GPM at 52% and NPM at 33%. Consequently, CLI declared a P0.15 per share dividend, cumulatively worth P257.1 million, to be paid on April 23, 2018.

“The dividend declaration will reaffirm the company’s commitment to provide the best returns to shareholders,” explained Soberano.

The property developer said real estate sales in 2017 reached P3.869 billion, from P2.23 billion in 2016. CLI credits this revenue increase to on-track construction progress and record sales of its various developments. Launched in 2015, the Casa Mira Towers Labangon, MesaVerte Residences in Cagayan de Oro, Baseline Center Phase 1 in Cebu City (where Citadines Cebu City, Baseline Premier and Baseline HQ are located), and Casa Mira South Cebu have already reached fully-sold status and are expected to be completed and delivered on time this year.

The company also observed improvement in its leasing business. This segment saw a 17% hike in earnings to P45.6 million from the previous year's P38.87 billion. CLI intends to grow its leasing business significantly by 2019 with the scheduled completion of Latitude Corporate Center, Baseline Retail, and start of operations of its hospitality project, Citadines Cebu City, according to Soberano.

CLI expects seven projects already in the pipeline to provide recurring income by 2020. These are Iyf Cebu City, Citadines Riverside Davao, Citadines Bacolod, Astra Hotel in Mandaue Cebu, Astra Corporate Center Mandaue Cebu, Astra Center Mall in Mandaue Cebu, and 38 Park Office in IT Park Cebu.

Cumulative reservation sales for all its projects breached the P4-billion target at P4.58 billion, or 55.6% higher than the 2016 level.

Already, the company expects to surpass its 2017 performance, thanks to its continued expansion program. This year, CLI is set to launch 20 more projects across the VisMin region bringing its portfolio to 66 projects in different stages of development. The developer expects all these to translate to a P7-billion sales target and push revenues to P5.3 billion in 2018, or a 35% increase from 2017’s goal. Target net income is set at P1.7 billion, or 31% more than the previous year.

Five CLI landmark projects launched in 2017 have already started construction – MesaTierra Garden Residences in Davao, 38 Park Avenue in Cebu IT Park, Latitude Corporate Center in Cebu Business Park, Casa Mira Coast (CLI’s first project in Negros Oriental), and MesaVirre Garden Residences (CLI’s first project in Bacolod). This is a testament of the company’s fast turnaround of projects.

Soberano says things continue to look up for the property market, particularly in the VisMin growth areas. He pointed out that “the Philippine government’s decentralization push – notably the 'Build Build Build program' - will unlock land values and improve connectivity outside Metro Manila.”

Part of this infrastructure program is the planned expansion of international airports in major destinations such as Cebu, Bohol, Bacolod, Iloilo, and Davao that will allow foreign tourists to bypass Manila.

Reports from the National Economic Development Authority (NEDA) show that the Visayas region will zoom ahead of other regions in the next five years and is expected to outpace the projected 7 to 8 percent growth for the Philippines. The agency also reports that Davao ranks third, in terms of economic growth, among 18 regions in the country. ###

PHOTOS



Casa Mira Coast, CLI's first project in Negros Oriental brings CLI's sought-after affordable housing community to 5,881 units. Two more Casa Mira developments in Bacolod City and Iloilo City will be unveiled within the year.



MesaVirre Garden Residences with three residential buildings is the 5th of CLI's best-selling Garden Series. It is the company's maiden project in Bacolod City.



Latitude Corporate Center located at the Cebu Business Park is a Grade A office building offering future-ready spaces for businesses of all sizes.



JOSE SOBERANO III, Cebu Landmasters Chairman and CEO formally introduced Casa Mira Coast, the company's first project in Negros Oriental, to Dumaguete City last February 28.