

Property developer Balwin lifts earnings

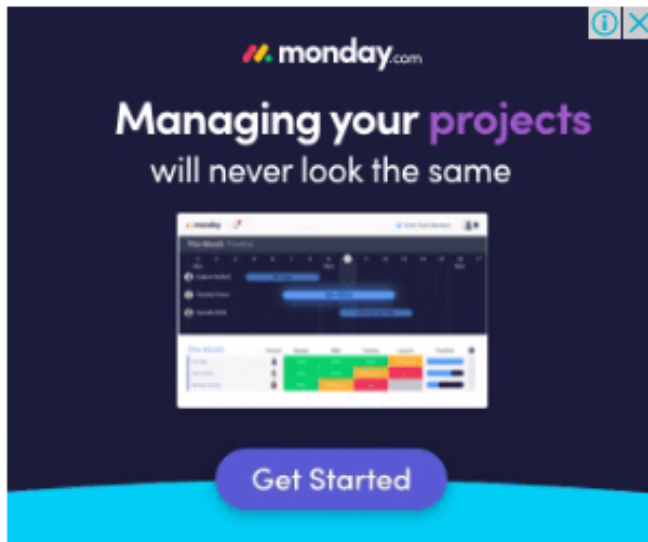
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BALWIN Properties has earmarked the Western Cape as a future growth area. Balwin Properties, the sectional title residential developer, lifted earnings per share 8percent to 96 cents in the year to February 28.

JOHANNESBURG - Balwin Properties, the sectional title residential developer, lifted earnings per share 8percent to 96 cents in the year to February 28, in line with a trading update issued in March.

Revenue increased 6percent to R2.62 billion. Net asset value was up 15percent to 567.51c per share. Dividends increased 49 percent to 14.51c per share.



Its estates typically consist of 500 to 1500 sectional title apartments in high-density, high-growth nodes in Johannesburg, Tshwane, the Western Cape and KwaZulu-Natal.

The group has a pipeline of 28 419 apartments across 23 developments.

Management said that they continue to experience strong demand for the group's apartments, despite ongoing economic headwinds.

Key focus areas for the year under

review were operational performance, cash preservation and executing on the existing development pipeline, "with pleasing results being achieved."

Balwin has recognised revenue of 2437 apartments. These included 2281 build-to-sell apartments, while 156 of the newly introduced purpose-built apartments were sold to Balwin Rentals, a residential property fund.

The rate of sales across the developments was in line with management expectations.

Exceptional sales at The Blyde (Tshwane East) and Ballito Hills (Ballito) exceeded the development sales rate average of about 25 apartments per month, management said in a statement.

The success at The Blyde was attributed to the opening of the Crystal Lagoon during the year.

The sales rate at the Balwin elite model developments The Polo Fields (Waterfall) and Paardevlei Lifestyle Estate (Somerset West) continued to be below the sales rate of the core business model developments, due to the weak economy.

Council delays prevented the timeous registration of apartments. As a result, the group was unable to register 864 apartments by year-end.

By the end of April, however, only 66 apartments had not been registered and were expected to lodge and register soon.

A total of 1 224 apartments had been pre-sold for the 2020 financial year and not recorded in revenue in the financial year under review.

The first rental development launched to the market was Greenpark in Boksburg.

Three further rental developments, were planned for Gauteng, totalling more than 6 000 apartments.

The group was developing 11 estates, most of which were at an early stage and required extensive investment in civils and infrastructure works.

Balwin shares rose 7.24percent to R3.11 on the JSE yesterday.

BUSINESS REPORT

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