

Balwin earnings face pressure

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The earnings of the largest sectional title developer in the country, Balwin Properties, are still under pressure about two years after it listed.



But CEO Stephen Brookes says the company is on track to have a bumper 2019 financial year, having managed slowdowns. In the past year, Balwin has struggled with delays in obtaining town planning and local authority approvals for the commencement of construction of five of its developments, the group said in a trading statement on Wednesday, 28 February.

It expected its headline earnings per share for the year to February to be between 23.18% and 29.58% lower than a year before and earnings per share to be 23.21% and 29.61% lower.

Delays affected the development of The Whisken in Kyalami, The Blyde in Pretoria East, Ballito Hills in KwaZulu-Natal, The Jade in Somerset West and Green Park in Boksburg. Balwin expected to hand over 2,080 apartments for the 2018 financial year compared with 2,711 in the previous year.

Brookes said even though the delays had affected the developments and had negatively affected its 2018 financial results, the company believed the next financial year would be its best year on record.

Anchor Stockbrokers research head Craig Smith said on Tuesday Balwin's trading update was largely affected by a weak SA economy.

"This clearly shows pressure that the sluggish economy is having on the pace of sales. The company has been unable to boost its selling prices," he said.

Source: Business Day

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