

Cebu Landmasters H1 2020 sales up by 41.3% year-on-year despite COVID-19 crisis

Leading VisMin developer Cebu Landmasters announced a 41% growth in sales to Php 7.43 billion in H1 2020 year-on-year driven by increased demand from end-users of affordable homes seeking safer and more secure dwellings as protection from the COVID-19 pandemic.

Reservation sales as of June 2020 come largely from the listed company's residential developments in key VisMin cities impacted by the pandemic. A significant 40% of sales were from projects in Cebu City, where the Enhanced Community Quarantine was recently extended. Iloilo City and Cagayan de Oro likewise accounted for 23% and 19% of sales, respectively. These are classified as low-risk areas by the Inter-Agency Task Force (IATF) along with Bacolod that contributed 10% of sales and Bohol at 8%.

CLI chairman and CEO Jose Soberano III observed: "The pandemic has heightened the realization that good housing means good health. In March, we began helping our buyers afford our homes by offering stretched payment terms and other promotions. Market response has been overwhelming and we are now speeding up plans to offer our flagship Casa Mira residential brand to more VisMin cities."

Casa Mira is the listed company's fast-selling economic housing community, which accounted for 65% of first half sales in 2020. Its residential units with more spaces and generous amenities in highly accessible locations are priced from P1.5 million to P3 million and require a monthly amortization of P4,000 to P5,000 a month after units are turned over. Meanwhile, CLI's garden series appealing to mid-market buyers with higher disposable incomes garnered 26% of sales.

Prior to the onset of COVID 19, CLI's economic and mid-market residential units had already enjoyed high sales velocity owing to a significant VisMin housing backlog estimated to reach 2.85 million homes by 2022, according to a Leechiu Property Consultants study. The study identified annual average demand at 475,000 housing units – 200,000 of which fall under the economic housing category.

Until the end of 2019, 40% of CLI buyers were mostly OFWs, according to CLI vice-president for Sales Rose Yulo. In the second quarter of 2020 when VisMin was under lockdown, CLI's share of OFW buyers dropped to 20% with local residents picking up the slack. "Our buyers today are mostly end-users who realized the importance of owning their own homes during the start of the lockdown period. COVID-19 seem to be prompting them to realign priorities and make the big step of buying a home in a well-managed, well-planned, safe and secure community. These kinds of communities are what CLI is offering." Yulo expects those sentiments in addition to the very low interest-rate environment to shield the firm from cancellations.

CLI is located in 15 key cities in Vismin and its strong sales performance is driving the company to launch a total of 14 projects in 2020 worth P19.4 billion focused on the economic and mid-market market segment. It intends to roll out 7,000 more economic housing units by year-end to replenish its diminishing housing inventory.

“We are deeply grateful to have a residential product that is addressing the needs of our markets during these uncertain times,” observed Soberano. He was optimistic that CLI would be able to meet its year-end goals in terms of sales targets. Construction on the majority of CLI projects continued during the lockdown period in 13 VisMin cities where it is allowed by the respective local government units provided social distancing and other safety measures were strictly enforced.

In related developments, an additional P500 million was approved as an additional budget for CLI’s buyback program bringing the total to P750 million. As of Tuesday, July 7, CLI closed at Php 5.08. The company has a remaining P300 million earmarked for its buyback program to support the stock. ###



An aerial view of Casa Mira South in Naga and San Fernando, Cebu. Casa Mira, CLI's fast-selling economic housing community with units priced from P1.5 million to P3 million, accounts for 65% of the listed company's H1 sales.



Latest construction updates of the Casa Mira South club house with a swimming pool.



Latest construction updates of the Casa Mira South club house with its own chapel.