

Anchor Land allots P35-billion capital spending until 2021

BOUTIQUE property developer Anchor Land Holdings Inc. has allotted P35 billion for capital expenditures until 2021 as it tries to triple its recurring revenues to P2 billion by 2022.

Anchor Land Vice Chairman and CEO Steve Li said the capex will be used to support both its residential and investment projects located mainly in Manila and Parañaque.

The capex will be financed by a combination of internally generated funds and bank loans, he said.

Anchor Land, a developer focused on the Filipino-Chinese market, expects recurring revenues to reach P1.5 billion in 2020 from about P600 million this year.

Recurring revenues, income that comes from rent, will grow to at least P2 billion by 2022 after the firm completes 272,000 square meters of leasing space by 2021.

“We try to achieve a balance of around 20-percent contribution from our recurring income. We believe we have achieved what we planned. We have diversified. Instead of purely residential development, now we are already into hotel, resorts and commercial development,” Li said at the sidelines of the company’s stockholders’ meeting on Thursday.

This year, Anchor Land will break ground six projects, including two residential projects, two office developments and two logistics and warehousing centers.

“Other than the six properties we are going to develop this year, we have six other properties that are currently under negotiations. This will most likely fall under our land acquisition by next year,” he said.

“We are launching more and more projects because the demand is very strong and our inventory is being sold out very fast, much faster than what we expect. Also, the economy is getting very promising and quite sustainable,” he said.

The firm is also in the planning stage for two hotel projects to be developed in its 2.6-hectare property in Boracay and 3,000-square-meter lot in Coron, Palawan.