

# [Howard hughes corporation essay](https://assignbuster.com/howard-hughes-corporation-essay/)

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## Howard hughes real estate

Howard Hughes Corporation (HHC) is a real estate development and Management Company operating in Houston, Las Vegas and Maryland. Since its inception in 1913, it has posted a solid track record with significant improvements it is operating income. It mainly focuses on establishing business parks as well as shopping centers in Las Vegas. It also owns some malls and numerous residential homes with mixed-use buildings. It is also the owner of New York City South Street Seaport. Ideally, the company which is now the second largest mall operator in the country was on the verge of collapse in 2009 when it faced a distress in it credit market conditions.

Real estate is a highly class business-cycle sensitive asset class dynamic especially the constantly changing real estate prices. However, Howard Hughes has come out strongly as a trustable company which has worn the hearts of many investors especially from its strong developed a strong real estate portfolio and gained public trust.

The company develops, operates and sells properties in master planned communities. Through the sales it makes, it is able to generate massive revenue. Ideally, it has four key master planned communities in Houston, Las Vegas and Maryland in addition to the business segments it holds including operating assets (retail properties) as well as the real estate development portfolio.

## Comparative Income Statement of HHC

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| THE HOWARD HUGHES CORP  (HHC) | | | | | | |
| Fiscal year ends in December. USD in millions except per share data. | | | | | | |
|  |  |  |  |  | Difference | |
|  | 2012-12 | 2016-12 | 2012-12 | 2016-12 | $ | % |
| Revenue | 100. 00% | 100. 00% | 377 | 1035 | 658. 00 | 174. 54% |
| Expenses |  |  |  |  | 0. 00 |  |
| Operating expenses | 65. 25% | 48. 41% | 246 | 501 | 255. 00 | 103. 66% |
| Depreciation and amortization | 6. 37% | 9. 28% | 24 | 96 | 72. 00 | 300. 00% |
| Sales, General and administrative | 9. 02% | 10. 72% | 34 | 111 | 77. 00 | 226. 47% |
| Total expenses | 80. 64% | 68. 41% | 304 | 708 | 404. 00 | 132. 89% |
| Operating income | 19. 10% | 31. 59% | 72 | 327 | 255. 00 | 354. 17% |
| Interest income | 2. 39% | 0. 10% | 9 | 1 | -8. 00 | -88. 89% |
| Interest expenses | 0. 27% | 6. 38% | 1 | 66 | 65. 00 | 6500% |
| Other income (expense) | -53. 58% | 5. 60% | -202 | 58 | 260. 00 | -128. 71% |
| Income before income taxes | -32. 10% | 31. 01% | -121 | 321 | 442. 00 | -365. 29% |
| Provision for income taxes | 1. 86% | 11. 40% | 7 | 118 | 111. 00 | 1585. 71% |
| Net income from continuing operations | -33. 95% | 19. 52% | -128 | 202 | 330. 00 | -257. 81% |
| Other | -0. 27% | 0. 00% | -1 | 0 | 1. 00 | -100. 00% |
| Net income | -33. 95% | 19. 52% | -128 | 202 | 330. 00 | -257. 81% |
| Net income available to common shareholders | -33. 95% | 19. 52% | -128 | 202 | 330. 00 | -257. 81% |
| Earnings per share |  |  |  |  |  |  |
| Basic | -3. 36 | 5. 12 | -3. 36 | 5. 12 | 8. 48 | -252. 38% |
| Diluted | -3. 36 | 4. 73 | -3. 36 | 4. 73 | 8. 09 | -240. 77% |