BRIEFS

Airbnb says ‘live anywhere’ trend here to stay

MANY COMPANIES expect to continue implementing remote and hybrid work schemes in the near future, which Airbnb says would allow more people to live anywhere they want.

“This Live Anywhere trend is like a decentralization of living, and it’s changing the identity of travel,” the home rental company said in a statement.

Airbnb said it has seen an increase in long-term stays in the third quarter of 2021.

“In Q3 2021, over 85% of long-term stay nights booked in the Philippines were for stays in urban destinations. Metro Manila, Metro Cebu and Baguio emerged as the top most searched destinations for long-term stays,” it said.

Airbnb also expects more people giving up their leases to become “digital nomads.”

“The share of Airbnb long-term stay bookers who used their stays to lead a nomadic lifestyle grew from 9% (in 2020) to 12% (in 2021). In the Philippines, 45% of Filipinos polled want to rent out their homes and travel,” it said.

More cities and countries will tweak their visa and tax rules to attract these remote workers, Airbnb said.

RLC Residences extends help to typhoon victims

RLC RESIDENCES extended assistance to the homeowners and employees of its Cebu projects, in the aftermath of Typhoon Odette.

The RLC Residences’ property management office worked with its counterpart in Manila to secure much-needed supplies to Cebu. Universal Robina Corp. provided food, drinking water, and other supplies to the residents and employees of Azalea Place and AmiSa Private Residences, located in Cebu.

The property management office also worked alongside Phoenix Petroleum Philippines to supply the diesel needed for the properties’ generator sets.

RLC Residences also announced that it will waive all penalties and interests incurred for late payments starting Dec. 16, 2021, to Jan. 31, 2022. This covers property buyers in typhoon-stricken areas, including Cebu, Bohol, Negros, Surigao, Siargao, Iloilo, Samar, Leyte, and Palawan.

Manila falls near bottom of list ranking city investment prospects

MANILA slumped to near bottom in a ranking of city investment prospects in the Asia-Pacific for 2022, a joint report from the Urban Land Institute and PricewaterhouseCoopers showed.

In the 2022 Emerging Trends in Real Estate report, Manila ranked 21st out of 22 cities in terms of city investment prospects, slipping from 19th spot in the previous year.

The Philippine capital was classified as having “generally poor” investment prospects this year.

Manila only performed better than Kuala Lumpur, which ranked 22nd. The bottom of the list featured all of the region’s developing markets, which continue to suffer from high rates of coronavirus disease 2019 (COVID-19) infections.

“Despite boasting both a young demographic and an economy with positive long-term fundamentals, Manila will struggle to digest a large amount of incoming supply on both the residential and office fronts, even as demand has weakened due to lockdowns and business closures,” the report said.

Manila’s property sector has also been affected by the exodus of Philippine Offshore Gaming Operators, which had taken up new supply before the pandemic.

“Business process outsourcing (BPO) facilities, meanwhile, have fallen victim to the work-from-home wave, although over the longer term the industry may benefit from a global trend towards employment decentralization,” the report said.

Tokyo topped the list, as it benefitted from “low interest rates and an economy that is largely fueled by domestic demand.”

Along with Tokyo, Singapore, Sydney, Melbourne, Seoul and Osaka were classified as cities with “generally good” prospects.

“2022’s top markets for investment prospects in the region were characterized by abundant core capital and a flight-to-safety approach,” the report said.

For real estate investors, the most problematic issue remains the impact of the COVID-19 pandemic on property rent and values.

Investors are also concerned about low yields, vacancy rates, and lack of investable properties.

The Emerging Trends Asia Pacific report is based on a survey of 233 real estate professionals, and 101 interviews, including investors, developers, property company representatives, lenders, brokers and consultants.

Office fit-out trends to watch in 2022

MANY COMPANIES’ return-to-office plans may have been delayed due to the emergence of the infectious Omicron variant of the coronavirus disease 2019 (COVID-19).

However, Cushman & Wakefield said companies still need to prepare for the eventual return of employees to the office and adopt more flexible working practices as the pandemic continues.

In its Asia Pacific Office Fit-out Cost Guide, the commercial real estate services firm noted that employee desire to work flexibly is lower in Asia-Pacific markets than in the United States and Europe.

“While fit-out typologies are changing globally, providing more collaborative spaces, the shift in Asia Pacific is likely to be more muted. With a greater proportion of employees spending more time in the office, there is more demand for space for focused work in the region,” Cushman & Wakefield said.

Companies are looking to build an ideal hybrid office, which would meet the demands of the flexible workforce.

Cushman & Wakefield also noted employees want greater workplace flexibility, while employers are looking to maintain corporate culture.

“High quality buildings that provide the highest quality health and wellbeing credentials are mandatory, as is the need for occupiers to provide employees with seamlessly integrated technology solutions for both onsite and offsite working. The application of thoughtful design and fit-out standards is crucial in order to reflect the role and purpose of the office which is all about experience, engagement, collaboration, culture and wellbeing,” it said.

Occupiers and investors are now putting greater emphasis on environment, social and governance (ESG) in their real estate footprint.

“Occupiers are increasingly seeking green and wellness certifications for their projects... Project managers play a pivotal role here by exposing clients to the latest workplace design strategies and assisting the integration of ESG principles into their workplace,” Cushman & Wakefield said.

According to the report, Japanese cities Tokyo, Osaka and Nagoya have the highest average fit-out cost in the Asia-Pacific region at $166, $161 and $151 per square meter (sq.m.).

Auckland in New Zealand came in fourth with $139 per sq.m., while Hong Kong came in fifth with $138 per sq.m.

In Manila, the average fit-out cost is $87 per sq.m., slightly more expensive than Bangkok ($85 per sq.m.) and Kuala Lumpur ($83 per sq.m.). Hanoi and Ho Chi Minh City offer much-lower fit-out costs at $63 and $61 per sq.m., respectively.

Jakarta in Indonesia offers the lowest average fit-out cost at $56 per sq.m.

China property sector could see ‘significant’ policy easing

NEW YORK — China’s real estate sector will likely see “significant easing” in the policies that govern it, BNP Paribas Asset Management (BNPPAM) said, months after starting to build a long position in that sector’s debt.

“We are of the view that we are at a major inflection point in terms of policy and we are likely to see some significant easing,” said Jean Charles Sambor, head of emerging market fixed income at BNPPAM in London.

“We are involved in the sector and we are positive in the sector. We have built this position over the last couple of months.”

Sambor could only discuss the overall sector, not company-specific investments.

Chinese real estate sector assets came under a lot of pressure last year after stricter financing rules for property development set in 2020 met with a mountain of debt, effectively engineering a contraction. The outsized importance of China’s real estate in the global economy sent shivers down many portfolio manager backs.

The CSI China Mainland Real Estate Index fell as much as 28% last year before closing down 15%, with stocks in China Evergrande, one of the biggest developers in the midst of a restructuring, down 89% in 2021.

Evergrande carries about $300 billion in liabilities including some $20 billion in international bonds. The foreign bonds, which traded above 90 cents in some cases last year, are now at default levels at under 20 cents on the dollar.

“The property market had been under pressure because (the government) wanted to deleverage and to some extent they achieved that,” Sambor said. “Now China wants to make sure that the rest of the sector is not at risk.”

Some international investors expect state-owned enterprises (SOEs) to help smooth debt restructurings, but others worry that it could open the door for Beijing to use the limited returns to pay its local debts first.

Sambor said a sector restructuring cannot be led by the state because private sector involvement in the property market is very large.

“SOEs are a significant part of the market but are not dominating it so it is difficult for them to engineer an SOE-lead restructuring. You need to have strong participation from the private sector,” he said.

Sambor said BNPPAM’s view on the real estate sector is part of a wider bet on fixed income returns within emerging markets.

“We think it’s going to be the year of the great normalization in Asia high yield, with a focus on China,” Sambor said. “Asian high yield, and China more specifically, will be a key driver of EM fixed income performance in 2022.” — ***Reuters***

Crowdfunding,
from S1/1

The SEC wants more Filipinos to “place their money in safe and secure investments while continuing to protect the public from fraudulent ‘get-rich-quick’ schemes and other scams,” the DoF said.

About 54 million Filipino adults do not participate in the capital markets, according to a pre-pandemic SEC survey.

While 66% said they do not have excess income, 35% said they would have participated if not for perceived high costs or lack of information.

“Other reasons given by the survey respondents were the perceived low return on investment and the lack of trust on investment providers,” the DoF said. — **Jenina P. Ibañez**

Figaro,
from S1/1

especially in FCG’s subsidiary, Figaro Coffee Systems, Inc., a company that has over 25 years of experience,” Figaro Chairman and Director Justin T. Liu said in a statement on Monday.

PSE President and Chief Executive Officer Ramon S. Monzon said 94% of Figaro’s local small investor (LSI) tranche was taken up by investors from 51 provinces and 11 countries.

“The percentage take-up of Figaro’s LSI tranche is the fourth highest out of the 17 companies that have so far used the PSE EASy platform,” Mr. Monzon said during the listing ceremony.

Net proceeds from the offer will be used to fund Figaro’s planned store launches and renovations, commissary expansion, to refinance debt, as well as for the expansion of its information technology infrastructure.

As of last week, Figaro operates 56 Figaro Coffee Shops, 39 Angel’s Pizza outlets, seven TFG Express outlets, six Tien Ma’s Taiwanese Cuisine restaurants, and one Cafe Portofino outlet.

Figaro is the second company to brave the stock market this year, just a week after Haus Talk, Inc. made its debut at the small, medium, and emerging (SME) board of the PSE. Mr. Monzon noted the last time a company debuted on the stock exchange in the month of January was in 2003.

“So having two listings to date hopefully bodes well for the exchange’s listing activities for the rest of the year,” Mr. Monzon said.

However, Darren Blaine T. Pangan, a trader at Timson Securities, Inc., said it is possible that uncertainty due to the pandemic is clouding market sentiment.

“This positive mood may spill over to the next offerings, but uncertainty still remains over how the prevailing sentiment will unfold in the coming weeks, especially at a fragile time amid the pandemic,” Mr. Pangan said in a separate Viber message.

RCEP,
from S1/1

services, for the most part, replicates those in recent ASEAN + 1 free trade deals. But RCEP covers a greater share of overall trade in services among all parties, it added.

New market access opportunities have been identified in a variety of sectors, including educational, health, computer-related, and other business services, in such countries as the People’s Republic of China, Indonesia, the Philippines, and Thailand.

But it also said that a “deep comparative analysis” will be needed for more transparency.

Trade in services in the RCEP covers financial services, telecommunications, and professional services.

Compared with ASEAN + 1 free trade agreements, there are higher foreign equity caps under RCEP. It also covers additional financial services.

When it comes to telecommunications, RCEP covers mobile services, including number portability, or the ability of a mobile customer to retain the same number even when they switch providers. RCEP also rolls out new market opportunities in this sector from commitments made by Indonesia, Lao PDR, Malaysia and Thailand.

Meanwhile, the Philippines is one of several countries that made greater market access commitments in professional services, along with Cambodia, China, Indonesia, South Korea, Lao PDR, and Malaysia.

“These commitments would benefit firms supplying legal, architectural, planning, engineering, veterinary, accounting, auditing, and bookkeeping services,” the ADB said.

Meanwhile, a farmers’ group said the country will not lose its export markets if the Senate fails to ratify the trade deal because it already participates in several ASEAN + 1 trade pacts that continue to provide similar tariff concessions to RCEP.

The Federation of Free Farmers in a statement on Monday said safeguards need to be put in place for vulnerable sectors before finalizing the deal.

“Joining RCEP now is ill-advised since many sectors, particularly in agriculture, are unprepared for open competition,” the group said. — **J.P.Ibañez**