

## Clark aims to be MICE hub with SMX Convention Center

FOUR THOUSAND square meters (sq.m.) of leasable space and a location in a burgeoning MICE (meetings, incentives, conferences, and exhibitions) capital are the selling points of the new SMX Convention Center in Clark, Pampanga.

SMX Convention Center Clark, which was originally set to open two years ago, finally opened on May 24.

"We were having a lot of demand for having a conference facility or an exhibition facility in the North of NCR (National Capital Region)," SM Hotels and Conventions Corp. (SMHCC) Senior Vice-President for Operations Walid Wafik said during a press conference prior to the ribbon-cutting ceremony and tour. "That's when the idea of SMX Clark came on board, and we were supported fully by SM and by the top management to allow us to have an SMX branch."

The SMX Convention Center in Clark is the second stand-alone convention center after SMX Manila.

There are also SMX facilities in Olongapo, Bacolod, Manila, SM Aura and Davao.

A smaller one in Cebu called the Skyhall also exists. SMHCC Executive Vice-President Peggy E. Angeles said a full-fledged SMX Convention Center will be up in Cebu in four years.

The latest SMX Convention Center is located within the SM City Clark complex, near the mall and Park Inn Radisson Clark. It

boasts three trade halls, three function rooms, and 14 meeting rooms.

"The great formula that we have come to, which is by the mall, our main locator; and then we complement the mall with having a hotel, with having a convention center. This is to augment foot traffic and more business for the entire compound," Mr. Wafik said.

Ann Olalo, Park Inn by Radisson general manager, said Clark's location is very convenient for exhibitions and conferences.

"We get feedback from our key accounts that Clark seems to be the most convenient, most accessible destination if they want to have conferences and events outside Manila," she said.

Dennis Legaspi, Clark Development Corp. (CDC) vice-president for engineering services, said Clark will soon be launched as a MICE destination in the Philippines.

Meanwhile, the waning pandemic of two years and counting has made SMX Convention Center executives more mindful of health and safety precautions.

SMX Convention Center Clark Senior Branch Manager Miguel Morato said each facility now undergoes misting, wipe-downs and washdowns before and after every event. Antivirus and antibacterial handrails and fixtures are installed in the elevators.

"These are the new norms that we will carry on," said Mr. Wafik. — **Joseph L. Garcia**

# Pandemic bolsters developers' interest in 'green' buildings

By Cathy Rose A. Garcia *Managing Editor*

THE PHILIPPINES saw an increase in the number of buildings certified as "green" during the coronavirus disease 2019 (COVID-19) pandemic.

Angelo Tan, country lead for the Philippines at the Climate Business Department of the International Finance Corp. (IFC), said there are currently over 50 projects, which cover roughly 86,000 square meters (sq.m.), that have received EDGE (Excellence in Design for Greater Efficiencies) certifications in the country.

"What is interesting is that more than half of those projects were certified in 2022 alone. You're seeing a lot of interest in recent years. In addition to that we have 3.7 million sq.m. in the pipeline that are pursuing EDGE," he said during a fireside chat at the BusinessWorld Virtual Economic Forum on May 25.

EDGE is a building certification system created by the IFC for emerging markets. It seeks to promote resource efficiency in buildings by adopting designs that help reduce materials, water, and electricity consumption. The IFC is a member of the World Bank Group.

"During the lockdowns people had to pause and reevaluate how they can ensure a green, resilient and inclusive recovery from pandemic. At the same time, the pause allowed them to think how they can do retrofits for their projects," Mr. Tan said.

However, the development of green buildings in the Philippines is still slow compared to its Southeast Asian neighbors.

"In the area of green buildings so far, we have a little over 200 plus green buildings — the majority of which are office towers in Metro Manila. It's been very slow, largely focused on the elite segment of the property sector. We need to make green and resilient infrastructure more accessible to a greater part of the population," Mr. Tan said.

The IFC is working to dispel the widespread notion that green buildings are expensive and complex.

"What we do in the IFC Climate Business Department is we develop standards such as EDGE and Building Resilience Index that make it easy and less expensive to develop green and resilient buildings... We are able to come up with demonstration projects that have the image of greater accessibility for more people," Mr. Tan said.

With EDGE, the IFC has brought down the price of certification fees for green buildings compared to other conventional green building certifications.

"We offer a lot of flexibility so developers can reach the required levels of green building certifications... We also reduce the complexity of the green building process... by identifying the most cost-effective measures to build green," he said. "(EDGE) streamlines the green building certification process."

One of the EDGE "champions" is Imperial Homes Corp., whose affordable housing projects received EDGE certifications.

"Their projects have reached a very high level of sustainability, high and advanced

level of certification. If projects like that can be designed and built as green, then even other projects can achieve the same level of sustainability," he said.

Aside from housing projects, Mr. Tan said they have also working on projects not traditionally seen as "green" such as industrial warehouses, a healthcare facility, hotel and resort.

"By reaching out to other building typologies, we are sending out the message that green is not just for high-end office towers in Metro Manila," he said.

Local government units (LGU) can also help support the advancement of green buildings by creating an enabling environment.

"Governments can put in place incentives that can help encourage the creation of more green buildings. These don't have to be financial of fiscal incentives, it can be non-financial incentives... Non-financial incentives include an increase in allowable floor area or building height if they certify their projects as green," Mr. Tan said.

Mr. Tan believes green buildings are not just a trend, but are here to stay. He cited the buildings' efficiencies that result in savings for owners and tenants, as well as the positive impact on real estate brands.

"We're seeing lot of investors now want to put money in climate smart investments. They are right to believe brown assets can stagnate in a couple of years... Green buildings make sense. A lot of early adopters are benefiting from the advantages of green building certification," he said.



## Philippine office market occupancy stabilizes (part 2)

# Net office absorption turns positive after nearly 2 years

By Dom Fredrick Andaya

(Part 2 of 2)

IN the first part of this article, we highlighted an initiative of Colliers' Office Services — Tenant Representation called The New Normal Paper Series, which sought to guide office market stakeholders how to survive the challenges of the coronavirus disease 2019 (COVID-19) pandemic.

In this series, our hope was to encourage our clients and partners to continuously swim through murky waters so as not to stagnate, since inaction and paralysis could be worse for all of us.

When we were tallying the results of the first quarter performance of the office market, we were so glad to see that the office market occupancy has stabilized as we recorded the net take-up to be positive.

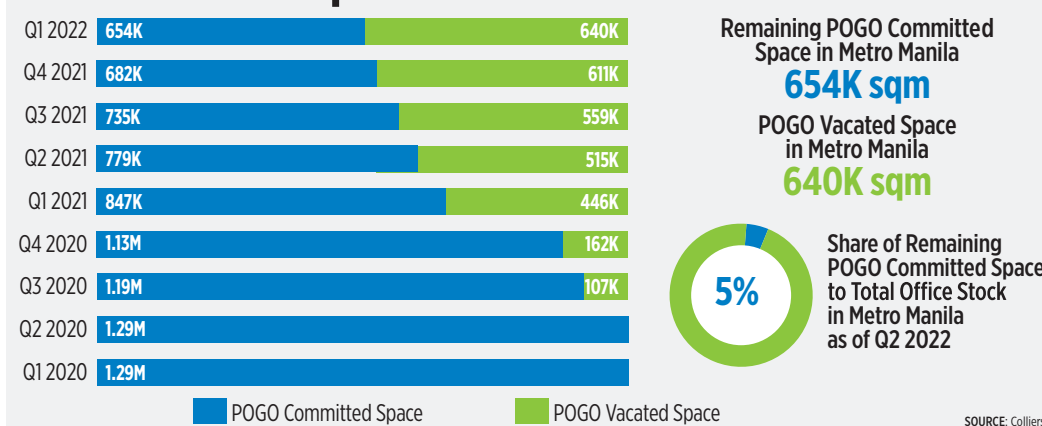
### VACANCY TO INCREASE, THEN PLATEAU BEFORE FALLING

While the net office take-up turned a corner already in the first quarter of 2022, vacancy is still expected to increase to the 18% level within 2022 as Colliers projects an annual office addition of 822,000 square meters (sq.m.).

Based on the first quarter results, Colliers maintained the projected year-end vacancy of 18% despite the high level of supply as the project annual net take-up was adjusted upwards in view of the increasing demand from the traditional occupiers and business process outsourcing (BPOs) companies.

POGOs Continue to Shed Office Space

## POGO Vacated Spaces Across Metro Manila

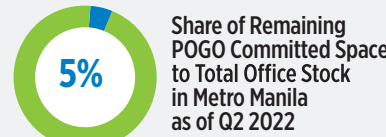


Remaining POGO Committed Space in Metro Manila

654K sqm

POGO Vacated Space in Metro Manila

640K sqm



Share of Remaining POGO Committed Space to Total Office Stock in Metro Manila as of Q2 2022

The 2.3 million sq.m. of available spaces are expected to be absorbed in three to four years' time considering the demand level and office market size of between 500,000 to 600,000 sq.m. before the POGOs entered the Philippine office market.

This means that vacancy and rental recovery to pre-pandemic level will be gradual, so our advice is for both tenants and landlords to continue working very closely during this period.

The POGOs remained to quiet in the first quarter as Colliers did not record any transaction from this industry. As of the first quarter this year, approximately 640,000 sq.m. of office space has been shed by POGOs in Metro Manila, which reduced its share to just 5%.

The issues hounding the industry are being addressed

one-by-one like the tax system and the inbound flights. It remains to be seen though if the POGOs will grow again, but a POGO return will certainly help the office market recover faster.

### COLLIERS INSIGHT

The first chart shows a simulation of a POGO comeback which can help reduce the office vacancy close to 10%, instead of 15% without the POGOs.

### OUTLOOK

As COVID-19 restrictions are quickly loosening and workers are now returning to office, Colliers sees that the Metro Manila office market is set improve further for the latter part of the year.

In our view, the return-to-office and expansion plans of companies, coupled with greater resiliency to COVID-19 and economic stimulus legislations

should accelerate take-up for the remainder of 2022.

Given this backdrop, Colliers recommends that occupiers who plan to expand, relocate, or set up a new office to streamline their site selection timelines.

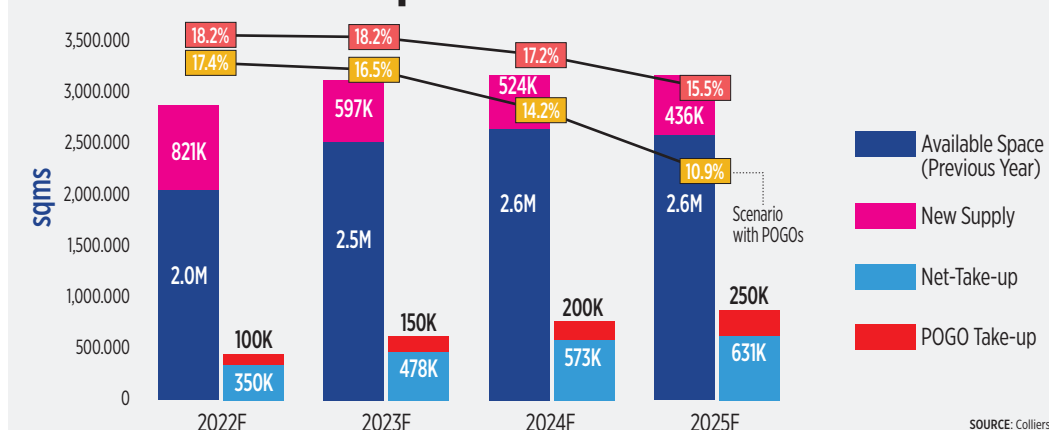
With the ongoing rental corrections and tenant-favorable market conditions, companies who are in a wait-and-see may want to implement flight-to-quality or flight-to-cost measures as soon as possible to secure office spaces at more competitive terms before the market rebound increases occupancy in highly sought-after properties in prime locations, such as Ortigas central business district, Bay Area, Quezon City and Alabang.

With the recent passage of key investment-related legislation, Colliers also suggests that landlords proactively capture demand from incoming foreign players as their entry should improve the country's investment climate. The relaxed regulations on foreign ownership and taxation will likely translate to multiplier effects on the economy and increased demand for office space in the country.

Lastly, landlords are encouraged to remain flexible and accommodate the requests of their existing tenants (both commercial and operational in nature) to aid in the business recovery of companies and maintain their occupancy.

Dom Fredrick Andaya is the senior director and head of Office Services, Tenant Representation, Colliers Philippines

## Vacancy Scenarios with Post-Pandemic POGO Demand Potential Market Impact of POGO Return



### NOTICE OF ANNUAL STOCKHOLDERS' MEETING OF SHANG PROPERTIES, INC.

To be held on 22 June 2022 at 10:00 A.M.

To All Stockholders:

Please be advised that the Annual Meeting of the Stockholders of SHANG PROPERTIES, INC. (the "Corporation") will be held on 22 June 2022 at 10:00 A.M. via video conference.

Join Zoom Meeting  
<https://us02web.zoom.us/j/83592508326?pwd=NmRPMxMjQ1ZDhYODQ4bEdLUlZlQ1Q9>

Meeting ID: 835 9250 8326  
Passcode: 153445

The Agenda of the meeting is set forth below:

- 1) Call to Order
- 2) Certification of Notice and Quorum
- 3) Approval of the Minutes of the Annual Meeting of the Stockholders held on 7 September 2021
- 4) Report of Management
- 5) Ratification of Acts of Management and the Board of Directors
- 6) Election of the Board of Directors for the year 2022-2023
- 7) Election of External Auditors
- 8) Other Matters
- 9) Adjournment

The Board of Directors has fixed the close of business hours on 23 May 2022 as the record date for the determination of the stockholders in good standing entitled to notice of and to vote at such meeting.

Minutes of the Stockholders' Meetings and SEC Form 17-A (Annual Report) for the year ended 31 December 2021 as well as the resolutions of the Board of Directors, will be available for examination during office hours at the office of the Corporate Secretary and at the Corporation's website at <http://www.shangproperties.com> and at the PSE Edge.

In case you cannot personally attend the meeting, you may send a proxy to represent you. Proxies must be filed with and received by the office of the Corporate Secretary of the Corporation before the date set for the annual meeting. In the absence of a written specification to the contrary, proxies in favor of, or which may be voted by, the management, will be in favor of the nominees of the management in the election of directors of the Corporation.

Mandaluyong City, Metro Manila, 4<sup>th</sup> day of May 2022.

BY ORDER OF THE BOARD OF DIRECTORS OF SHANG PROPERTIES, INC.

FEDERICO G. NOEL, JR.  
Corporate Secretary

### AGENDA ITEMS

- 1) Call to Order
- 2) Certification of Notice and Quorum  
  
The Chairman will call upon the Secretary to present proof that notice of the meeting was sent out to all concerned shareholders of record in accordance with the By-Laws of the Corporation and the relevant rules of the Securities and Exchange Commission ("SEC") and to report on the attendance of the meeting. If there are present in person or by proxy stockholders representing at least majority of the outstanding capital stock of the Corporation entitled to vote, the meeting shall proceed to take up the business at hand.
- 3) Approval of the Minutes of the Annual Meeting held on 7 September 2021.  
  
The Stockholders will be asked to approve the Minutes of the Annual Meeting of Stockholders held on 7 September 2021.
- 4) Report of Management  
  
The Chairman will present the Report of Management to the stockholders.
- 5) Ratification of Acts of Management and the Board of Directors for the year 2022-2023  
  
The Chairman will submit for the consideration and ratification of stockholders all acts and/or resolutions of the Board of Directors and Management of the Corporation for the last Annual Shareholders' meeting up to the present stockholders' meeting.
- 6) Election of the Board of Directors for the year 2022-2023.  
  
Pursuant to the Amended By-Laws of the Corporation, the stockholders present representing at least a majority of the outstanding capital stock of the Corporation entitled to vote, shall elect the Independent Directors and Regular Directors of the Corporation's Board of Directors to serve for the fiscal year 2022-2023 and until their successors are qualified and elected.  
  
The following are the qualified nominees to the Board of Directors for the year 2022-2023:  
  
Edward Kuok Khoon Loong  
Alfredo C. Ramos  
Benjamin S. Ramos  
Antonio O. Cojuangco  
Cynthia R. Dei Castillo  
Maximo G. Licauco III  
Wolfgang Krueger  
Jose Juan Z. Jugo  
Wilfred Shan Chen Woo  
Karlo Marco P. Estavillo
- 7) Election of External Auditors  
  
The Stockholders shall vote upon the appointment of the Company's External Auditors for the fiscal year 2022-2023.
- 8) Other Matters  
  
The meeting will be opened to the discussion of other matters that may be brought up by the stockholders.
- 9) Adjournment