

Philippine office market occupancy stabilizes

By Dom Fredrick Andaya

(First of two parts)

AFTER seven consecutive quarters of negative net take-up, the Metro Manila Office Market has finally turned a corner as Colliers recorded a positive net take-up for the first quarter of 2022.

Net take-up, which is the change in occupied space between two periods, was recorded at 26,000 square meters (sq.m.) for the first quarter of 2022 and is forecasted to reach 350,000 sq.m. by the end of the year, a significant improvement from the annual net take-up of -274,000 sq.m. recorded in 2021.

This means that the occupancy level has stabilized overall as some companies continue to surrender spaces, right size and downsize while the vacancy is expected to rise due to the supply overhang.

At the onset of the COVID-19 pandemic when nobody knew yet the gravity of the problem, Colliers' Office Services – Tenant Representation initiated The New Normal Paper Series hoping to guide the office market stakeholders how to survive the challenges of the pandemic.

CHANGING THE WAY WE WORK

This was the first paper that our team wrote and shared, which was based on a Harvard Business Re-

view article, "Is It Time to Let Employees Work from Anywhere?"

Here we discussed the benefits of having a remote workforce such as cost reduction, opportunities to expand the talent reach and scaling productivity. Without any other options since the government imposed very strict quarantine measures, the only way to carry out operations was to work from home (WFH).

Companies had to quickly adjust and adopt new measures to make WFH successful. We noted that the coronavirus disease 2019 (COVID-19) pandemic could become the catalyst for change and businesses must figure out ways how to continuously deliver their products and services efficiently and effectively without compromising the health and safety of their employees, clients, and communities.

SURVIVAL: A SHARED CAUSE

The second paper touched on how the various shareholders can soften the blow of the COVID-19 pandemic. Here we were fully aware that both the landlords and tenants were equally affected but nonetheless called for the application of the *bayanihan* spirit so that the office market will not hit rock bottom.

We projected then that the smaller businesses which were occupying the small spaces in office buildings were the most

vulnerable. Looking at our database, we found that they occupied around 14.7% of the office market, which was potentially how the vacancy could increase in a prolonged pandemic situation.

This was on top of the expected demand slowdown in various sectors like the Philippine Offshore Gaming Operators (POGOs) which occupied 10% of the office stock pre-pandemic.

We advised the landlords to listen to their tenants and try their best to keep them from leaving since occupancy was more important than revenue during this time. Low occupancy of office buildings meant subsidizing the daily operations.

On the other hand, we advised tenants to be transparent and sincere in working out a win-win situation with their landlords, not to gain, but simply to survive together until the market rebounds since survival should be a shared cause.

DECISION-MAKING IN A VUCA WORLD

During this time when the world was increasingly becoming volatile, uncertain, complex, and ambiguous (VUCA), we said that it was important to "keep swimming," otherwise we might end up worse than it would be.

Here we recommended that stakeholders apply the Ef-

fectuation Principles, which is an entrepreneurial process where the identification of the next best step by assessing the available resources to achieve the goals while continuously balancing these goals with the existing resources and actions. These principles are used by expert entrepreneurs to help them wrest control in an unpredictable environment. The five principles are as follows:

COLLIERS INSIGHT

Bird-in-hand – start with what resources and means you have.

In unpredictable situations, rather than focusing on a goal, it is best to first assess the resources that are available and create a solution from there. These resources can be determined by asking, "who I am," "what I know," and "whom I know." Once you are able to determine what resources you have, you may start to create ideas and solutions.

Affordable loss – the future is unpredictable, so know what you are comfortable losing.

In any new endeavor, there will always be risks. Instead of focusing on an expected return and working back to minimize the risks, it is best to understand how much you are willing to lose on each step. This will let you determine which endeavors you are willing to take knowing what you

are risking and what there is to gain even if the result is unfavorable. This will limit your risks as you are already aware of what you may lose.

Lemonade – "When life throws you lemons, make lemonade."

The pandemic was full of surprises and continues to be unpredictable. Despite the challenges and uncertainties, there are still plenty of opportunities around to be maximized. Instead of trying to control outcomes, it is best to take in these surprises and find a way to make these valuable. The current times also present "opportunities" for companies to find new ways of innovating (e.g., delivery and logistics services, telemedicine, teleconferencing platforms, etc.) These innovations will hopefully inspire more companies to be creative to sustain the economy.

Crazy quilt – work together with partners who are willing to cooperate and commit to the goal.

Having partners to work with you not only helps you achieve your goal, but also increases your means and resources. Of course, the goal may evolve as more ideas and resources are shared. It is still important to remember points 1 and 2, by knowing what you have and the risks you carry as partners. During the pandemic, it was more important to work together, communicate, create partnerships and leverage

on key strengths with suppliers and clients.

Pilot in the plane – the future depends on the choices the pilot makes.

In an unpredictable environment, it is best to focus on the things that are within your control. It may be true that larger market forces determine how the future will play out, but it is also true that the future is shaped by the actions taken today.

In the same sense, inaction may also affect future outcomes or worse, result in further losses. Instead of allowing yourself to be thrown around by the unpredictability of the market, it is best to make sense of the current situation and figure out what can be done within your means.

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

So, 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 Colliers recorded the net take-up to be positive.

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

Demand for midrise building residential developments growing in key cities

DEMAND for midrise building (MRB) residential developments is on the rise, especially in key cities such as Laguna and Iloilo.

Roy Golez, Leechiu Property Consultants director for research and consultancy, said they are seeing increasing demand for midrise building developments as rising land values make it more expensive for people to have their own single detached homes.

"MRBs offer a more affordable alternative... There's a demand for MRBs from millennials and families," he said in a webinar on SM Development Corp.'s (SMDC) Facebook page on Friday.

Cyrill Manzo, SMDC assistant vice-president for architecture design management, said the company is launching several midrise residential projects outside of Metro Manila.

"For SMDC, we'll be launching some projects in Iloilo, Cagayan de Oro, Laguna, Cavite to name a few. For each project we have about 1,900-3,000 units. So imagine around 10,000 to 15,000 units in the market every year. This is SMDC's way to help solve the housing backlog," she said in the same webinar.

Ms. Manzo said the concept for these projects revolve around "green living" and sustainability.

"SMDC's MRB residential communities are lifetime investments for residents. It's a future-ready, sustainable property development that doubles as an investment... It is the future of real estate," she added.

Mr. Golez noted growing demand for such projects in Laguna, which has seen fast population growth due to the industrial parks and new infrastructure projects that improved accessibility and connectivity. Iloilo has seen similar growth as more business process outsourcing firms expand and create more jobs in the city.

He noted it is a good time to invest, since real estate values have continuously grown even during the pandemic.

"This gives buyers the reassurance that investments made in these projects will likewise continue to grow... Demand for housing today is too huge and it will continue to be high. It contributes to the capital appreciation of your condo unit," Mr. Golez said.

He also noted developers are now offering modern-designed, sustainable housing projects at very low cost.

"Buying a real estate property provides an opportunity for buyers to help the country. Invest-

ments in real estate have six times multiple in the economy. One peso spent in real estate translates to six pesos contribution to the economy," he said.

Mr. Golez offered some tips before making any real estate investment, such as making sure of the project's location and the strength of the real estate developer.

"Be ready to invest. Have enough savings, cash flow and emergency fund before you put your first peso in any real estate investment. Have enough money so you can cover the monthly payments and amortization... Also, invest in a modern, sustainable project designed to focus on health and property growth value," he said. — **Cathy Rose A. Garcia**

RLC Residences teams up with Heart Evangelista for new vlog

A YEAR after beginning their partnership RLC Residences and actress Heart Evangelista are collaborating on their first project – Love Marie Designs with RLC Residences.

The project is a vlog featuring Ms. Evangelista's design process at her RLC condominium unit at The Sapphire Bloc.

According to a press release, the project "is one of RLC Residences' efforts to empower Filipinos to design their best life by giving them the right environment to execute their home ideas to life." It also aims to show how the brand "can help homeowners design their own condo."

In designing her one-bedroom condominium unit, Ms. Evangelista, or Love Marie Ongpauco-Escudero in real life, worked with her friends – interior designer Geewel Cabungcal-Fuster, Astrid Bello with architect Chris Bello of Pbell + A.aid Architecture and Interior Design.

"I love white," Ms. Evangelista said in a press conference on May 20 at the Sapphire Bloc. "I was given a beautiful space to work on already. I just needed to add my personality."

Chad Sotelo, senior vice-president at Robinsons Land Corp. and business unit manager of RLC Residences, told *BusinessWorld* that Ms. Evangelista "was very interested with Ortigas as a location. When she took a look at it, she was very happy."

"I think one of the things that got her attention were the color white and the high ceilings," he said.

Ms. Evangelista chose the unit for its space, well-lit rooms, high ceilings, and windows. She also cited the location and the amenities as reasons for choosing a unit at the Sapphire Bloc.

"It's always a good investment if the place is near malls, and hospitals," Ms. Evangelista said. "Amenities would be one [reason]," she added, citing RLC Residences' other amenities such as swimming pools, a gym, a private theater, and a children's playground.

The Sapphire Bloc is a four-tower complex bounded by Ortigas Center's Sapphire and Garnet streets. It has easy access to commercial and business establishments.

"A property is always an investment. With having [condominiums], you also think about the different stages of your life, and what you need it for," she said.

The Sapphire Bloc's North Tower 1 and West Tower 2 are ready for occupancy, East

Tower 3 is accepting buyers, while South Tower 4 is expected to finish construction by 2025.

Mr. Sotelo said that despite challenges and the financial impact brought by the pandemic, sales have been "proceeding at a brisk pace."

"Some people who have not yet decided if they're going to continue their purchases last year are only deciding this year. But we are confident that the sales are going well. Despite some people canceling, we're pretty bullish about the situation," he said.

In regard to RLC's expansions for vertical development, the urbanization of the area is a consideration.

"Some provinces may not be ready yet to take in a high-rise residential building. Sometimes we look at indicators like how many malls are in the area, and how many offices," Mr. Sotelo said. "The BPO sector is typically a good barometer to check if a place is somewhat ready for a condo."

"It also helps if an airport is close by," he added. The pandemic has made buyers more conscious of not only savings and income but also investments.

"Interestingly enough, what we discovered is for those people who are actively looking for a condo to buy – 60 to 70% of those are women," Mr. Sotelo said of buyers' demographics.

"The other thing we discovered is that people who are looking for a condo this year, while some of them are still after living in it, a lot of people are looking to buy a condo for investment purposes," he said. "Either they'll rent it out, or they buy it and then sell it."

For those looking to invest in a condominium unit, Mr. Sotelo's advice is "don't rush, do your research first," and make location a big consideration.

"Location is very important. But if you think about it, location based on what? In five years, where will you be? If you're not married, will you still be single? Or if you're married, will you have kids already? If you're a fresh grad now, you'll probably be on your first or second job," Mr. Sotelo said. "Location is a bigger consideration than most people realize."

Watch Love Marie Designs with RLC Residences (<https://www.youtube.com/watch?v=n8QyMKvy90A&t=149s>) on Heart Evangelista's and RLC Residences' (<https://www.youtube.com/c/RLCResidences>) YouTube page. For more information on RLC Residences properties, visit rlcresidences.com. — **Michelle Anne P. Soliman**



NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

Notice is hereby given that the annual meeting of stockholders of **VISTA LAND & LIFESCAPES, INC.** (the "Company" or "VLL") for the year 2022 will be held online on **June 15, 2022, Wednesday at 2:00 p.m.** with the proceedings livestreamed and voting conducted in absentia through the Company's secure voting online facility which may be accessed through: <https://apps.vistaland.com.ph/VSRV/registration>.

The following shall be the agenda of the meeting:

1. Call to Order
2. Certification of Notice and Quorum
3. Approval of the minutes of the last Annual Meeting of Stockholders held on June 15, 2021
4. Presentation of the President's Report, Management Report and Audited Financial Statements for the year 2021
5. Ratification of all acts and resolutions of the Board of Directors and Management from the date of the last annual stockholders' meeting until the date of this meeting.
6. Election of the members of the Board of Directors, including the Independent Directors, for the year 2022
7. Appointment of External Auditors
8. Adjournment

Minutes of the 2021 Annual Meeting of Stockholders is available at the website of the Company, www.vistaland.com.ph.

The Board of Directors has fixed the close of business on May 04, 2022, as the record date for the determination of stockholders entitled to notice of and to vote at the Annual Stockholders' Meeting.

In light of the current circumstances, and to ensure the safety and welfare of the Company's stockholders, the Company will dispense with the physical attendance of stockholders at the meeting and will allow attendance only by remote communication, and voting only in absentia or by appointing the Chairman of the meeting as their proxy.

Stockholders who intend to participate in the meeting via remote communication and to exercise their vote in absentia must notify the Corporate Secretary by registering through the <https://apps.vistaland.com.ph/VSRV/registration> on or before June 07, 2022. All information submitted will be subject to verification and validation by the Corporate Secretary.

Stockholders who intend to appoint the Chairman of the Meeting as their proxy should submit duly accomplished proxy forms on or before June 07, 2022 at the Office of the Corporate Secretary at Picazo Buyco Tan Fider & Santos Law Office, Penthouse, Liberty Center, 104 H.V. Dela Costa Street, Salcedo Village, Makati City and/or by email to gmsantos@picazolaw.com.

The procedures for participating in the meeting through remote communication and for casting of votes *in absentia* are set forth in the Information Statement.

A copy of the Interim Unaudited Financial Statements of the Company as of and for the quarter ended March 31, 2022 with Management Discussion and Analysis shall be posted on the website of the Company (<https://www.vistaland.com.ph/>) on or before June 15, 2022.

A hard copy of the same Interim Unaudited Financial Statements will be provided to any requesting shareholder, free of charge, as soon as said Interim Unaudited Financial Statements becomes available but in no case later than June 15, 2022. A hard copy of the same Interim Unaudited Financial Statements will be provided to any requesting shareholder, free of charge, as soon as said Interim Unaudited Financial Statements becomes available but in no case later than June 15, 2022.

GEMMA M. SANTOS
Corporate Secretary