DMCI Homes to develop upscale condo in Makati

DMCI Homes is developing an upscale mixed-use development with one residential tower in Makati City.

In a statement, the Consunji-led real estate developer said the sales launch for Fortis Residences, located along Chino Roces Avenue, is scheduled this month.

Fortis Residences is the second project under premium brand DMCI Homes Exclusive after Oak Harbor Residences in Asiaworld City, Parañaque City.

DMCI Homes said the project is part of the upcoming Chino Roces Special Mixed-Use District, touted as Makati's next hub for commerce, culture and recreation.

Adjacent to the residential tower, a mixed-use building will offer office, retail, and commercial spaces.

Fortis Residences will feature a variety of spacious floor plan options. It will also have hotel-like concierge services, and a dedicated customer support team.

"The property will be a showcase of DMCI Homes' dedication to functional and sustainable design as Fortis Residences will bear the Lumiventt Design Technology — a design innovation that brings abundant natural light and fresh air to the condominium," the company said.

DMCI Homes said it will work on securing green building certifications for Fortis Residences.

CLI donates condo buildings for informal settlers in Cebu

CEBU Landmasters, Inc. (CLI) said it has donated two medium-rise condo buildings, with a combined value of P215 million, for informal settlers in Cebu City and in Mandaue City.

In a statement, CLI said this donation is part of its commitment to provide quality and sustainable in-city vertical socialized housing.

The company recently turned over the Walk-Up Sugbo 1 to the Cebu City government, and broke ground on Tower 4 of the Mandaue City government's Tipolo Residences.

Walk-Up Sugbo 1 is located on a 1,350-square meter (sq.m.) property in Barangay Lorega-San Miguel. The P115-million medium-rise building features 100 units that will be home to over 100 beneficiary families, who were previously living in danger areas. Each unit has a floor area of 25 sq.m., which is more than the 18 sq.m. required for socialized housing units.

"To us, this is the most meaningful project. We are now starting a project that will become a model. It will become a standard. We hope this will be emulated not just by us but also by other developers," CLI Chairman and Chief Executive Officer Jose Soberano III said in a statement.

"We don't only build homes, we build sustainable communities. And, we want to give decent homes to the marginalized because they deserve nothing less."

Walk-Up Sugbo 1 is a collaboration between CLI, the Cebu City government and the Department of Human Settlements and Urban Development.

The building features a ground floor chapel, retail spaces for rent, parking area and a livelihood training and multi-purpose hall donated by Cebu Landmasters Foundation. Solar panels will provide electricity for common areas like hallways, stairways and around the property. The building will also have a sewage treatment plant.

Meanwhile, CLI said it will begin construction of the 90-unit Tower 4 of the Tipolo Residences, a mid-rise socialized housing building in Mandaue City. It is expected to be completed in 18 months.

The building will feature 90 units for the victims of the 2019 fire in Tipolo who are temporarily residing inside the Cebu International Convention Center and for informal settlers. Each unit will have a gross floor area of 24.79 sq.m.

CLI said all units are situated to receive a sufficient amount of daylight, reducing energy use. The ground floor units and common area spaces will be lifted to allow cross ventilation, while a large self-watering green wall will be integrated to provide cooling.

US home sellers slash prices in sudden halt to pandemic boom

THE turn in the US housing market has been sharp and swift. Just ask Karlyn and Jack Stenhjem, would-be downsizers who dropped the asking price for their home near Seattle by almost $100,000 since May.

The brick Everett, Washington, house, with private access to lakes and trails, is now available for $899,000, a price that makes Karlyn Stenhjem "cringe."

"Two months ago our house was valued at $1.1 million on Zillow," she said. "When you look at the map of listings now, the little red dots are on top of the other little red dots."

The pandemic housing boom is careening to a halt as the fastest-rising mortgage rates in at least half a century upend affordability for homebuyers, catching many sellers wrong-footed with prices that are too high. It's an astonishing turnaround. Just a few months ago, house hunters felt pushed to make offers within days, waive inspections and bid way above asking. Now they can sleep on it and maybe even shop for a better deal.

It doesn't mean real estate is heading for a crash on the order of 2008. But when a market reaches these heights, even a drop toward normalcy will feel steep. And of course, a recession could make everything worse.

"The housing market is absolutely in need of a reset," said George Ratiu, senior economist at *Realtor.com*. "Overheated markets are unsustainable. Prices will have to adjust. We're seeing the slowdown in growth already. The question is whether prices drop or move sideways."

Home listings, while still low, increased in June at the fastest pace in records dating to 2017, according to data released this week from *Realtor.com*. The cooling is particularly pronounced in pandemic boom areas such as Las Vegas, Denver and California's Riverside and Sacramento, as well as further east in Austin, Texas; Raleigh, North Carolina; Nashville, Tennessee; and Tampa, Florida.

Sellers with lofty ambitions are having to pare expectations. In the Austin, Phoenix and Las Vegas metro areas, almost a third of listings in June had price cuts, the *Realtor.com* data show.

Soaring borrowing costs are only part of the issue. Stock-market turmoil and recession fears do little for buyer confidence. And with the country now in a form of COVID normalcy, many of the people who were apt to make pandemic-inspired relocations have already done so.

In Naples, Florida, agent Jennifer DeFrancesco is advising some sellers to drop prices. The flood of calls from buyers in the Northeast have eased. They don't feel as flush or flexible now that crypto and stock markets are tumbling and employers are demanding more office presence. And those who felt stifled by COVID restrictions in New York and Boston aren't as antsy to move now that most mandates have lifted, Ms. DeFrancesco said.

"In the month of May, everything came to a screeching halt," Ms. DeFrancesco said. "We have a rule of thumb that says if you don't have any showings in 14 days, it's suggested that you're 10% overpriced."

Older buyers are especially worried because they depend on their stocks and savings to live, said Carolyn Young, broker associate with Christie's International Real Estate Sereno in the East Bay region outside of San Francisco. The buyer pullback has been dramatic for homes she's marketing at Trilogy at the Vineyards, a 55-and-over community in Brentwood.

She has reduced list prices by $50,000 to $100,000 because cuts that are quick and substantial get buyers in, she said.

"For sellers, it's devastating, especially if they bought something else earlier and paid too much for that," Ms. Young said.

Still, most sellers are in a position to reap big profits because they're sitting on a mountain of equity. In May, US single-family house prices jumped almost 45% from May 2020, the biggest two-year increase on record, according to an analysis of National Association of Realtors data going back to 1968. That capped off a decade of rapid gains.

That means even if homeowners lose jobs in a recession, they're unlikely to be forced to sell at a loss, limiting the prospects of a widespread foreclosure crisis. And unlike the subprime loans that tanked the economy 14 years ago, the latest boom was built on ultra-low mortgage rates, not risky lending, with demand far outstripping supply.

Even though existing-home sales have been falling since February, prices tend to be stickier and sellers have only started adjusting expectations. With inventory climbing from drastically low levels, prices in many areas are apt to keep rising, just at a slower pace.

Still, the housing downturn will have economic ripple effects. Fewer buyers mean less money spent on landscapers and home decor — to wit, luxury-furnishings seller RH on Wednesday slashed its sales forecast for the second time in a month. It's also a hit to the real estate industry, where agents and mortgage brokers are getting laid off by the thousands.

Even if home prices moderate, a lack of sales could exacerbate the nation's housing affordability crisis by pushing more would-be buyers into a rental market where costs are already soaring. That could force young people back into their parents' basements or to pile in with multiple roommates and drive more families into homelessness.

"I'm worried that this mortgage affordability crisis this year will spill over into a worsening rental affordability crisis," said Jeff Tucker, senior economist at Zillow.

For now, Daniel Sweeney, a Realtor with Berkshire Hathaway HomeServices in Henderson, Nevada, is telling sellers not to panic. Buyers are in shock because of higher rates, but they'll be back, he tells them. Like commuters upset about $6-per-gallon gas, they'll bend and pay up, he said.

Still, a house flipper is trying to pull out of a contract to buy a property from one of Mr. Sweeney's sellers. The investor had 40 properties listed for sale and "nobody looking at them," Mr. Sweeney said.

"It's a fast change and that has made people feel concerned that it could get worse," he said.

The Stenhjems are up against the clock. They're already paying rent on a one-story home they plan to move to. Jack Stenhjem is 87 and Ms. Karlyn's not much younger, and the stairs in their old house are getting harder to manage.

The price cut has gotten a couple buyers interested but now they're wondering whether to make some improvements to the house because so many competing properties have been updated, Ms. Karlyn said.

"It would be nice to make enough on this home in case we live to 100," she said. "We're giving away our house at this price." — ***Bloomberg***

Currency,
from S1/1

"One thing is clear: In the experiences of many countries, if you are deviating for a prolonged time and much from market fundamentals, then we are likely going to suffer the consequences," Mr. Balisacan said. "Now, we don't think that we are at that point."

He noted that keeping local interest rates low despite persistently high rates globally could lead to capital flight. "When that happens, it affects all other variables like our exchange rate and inflation."

The central bank needs a balancing act, Mr. Balisacan said. "The strategy of the BSP is to adjust with the global market situation, and adjust in a way that is also appropriate for us because we have to look at other variables like inflation."

Inflation probably hit 6% in June amid spiraling oil and food prices and higher electricity rates, according to a median estimate of 16 analysts in a *BusinessWorld* poll last week, boosting the case for bigger increases in key interest rates.

This would be the quickest since 6.1% in November 2018, and faster than 5.4% in May and 3.7% in June last year, according to data from the Bangko Sentral ng Pilipinas (BSP). It would also breach the central bank's 2-4% target and the Development Budget Coordination Committee's (DBCC) 3.7-4.7% estimate this year.

Record gasoline prices paired with unrelenting food and commodity costs are adding a strain to Filipinos' cost of living, suggesting that the BSP might have to increase rates further to slow economic growth.

The Philippine Statistics Authority (PSA) will release June consumer price index (CPI) data on Tuesday (July 5).

Crude oil prices have spiraled out of control amid concerns over supply since Russia invaded Ukraine on Feb. 24.

Gasoline, diesel and kerosene prices had jumped by P30, P45.90 and P39.75 a liter as of June 28, according to data from the Energy department.

The Monetary Board at its June 23 meeting raised the key rate by 25 basis points to 2.5%. The BSP is prepared to "take all necessary policy action to bring inflation toward a target consistent path over the medium term and deliver on its primary mandate of price stability," former central bank governor and now Finance Secretary Benjamin E. Diokno said then.

The central bank also raised its average inflation forecast for this year to 5% from 4.6% and to 4.2% from 3.9% for next year. The average inflation is expected to slow to 3.3% by 2024.

The BSP will hold its next policy review on Aug. 18.

OUTPUT GROWTH

Meanwhile, Mr. Balisacan said he expects the economy to grow by more than 6% this year, days before economic managers review macroeconomic forecasts.

"We're expecting a little above 6% for this year," he said. "Our priority is to recover quickly from the pandemic and go back to the high-growth trajectory, mindful that we would want to make that growth more inclusive and more resilient."

This would ensure that "the next time we have pandemics like this [or] any disruptions, technological or global, the economy should not be sharply affected," he added.

The DBCC, which in May projected growth of 7-8% this year — well above Mr. Balisacan's estimates — will review macroeconomic estimates on Friday.

Mr. Balisacan said the government of President Ferdinand R. Marcos, Jr. would try to revive job creation and poverty reduction, while addressing government debt and rising inflation.

Despite headwinds in the near term, "we are targeting, for the entire duration of the administration, while that is not officially set yet by the [DBCC], 6.5% to 8% [growth]," Mr. Balisacan said.

The DBCC is composed of the Budget and Finance departments, National Economic and Development Authority (NEDA) which Mr. Baliscan heads, and the Office of the President. It approves macroeconomic targets including revenue projections, the borrowing and budget levels, and spending priorities.

"Understandably, we may need to revisit the targets given the setbacks caused by the pandemic," Mr. Balisacan said in a speech at the NEDA turnover ceremony on Monday.

"Nonetheless, the aspirations and vision remain relevant, guiding us to stay the course toward improving the welfare of Filipinos," he added.

He noted that 7% to 8% is "spectacular" in itself, and it is "even more spectacular" if it comes with improved inclusive growth.

"Particularly significant to me is the Philippines being on investors' radars and climbing the ranks based on globally recognized comparative indicators in economic performance and institutions, technology, preparedness and fundamentals such as ease of doing business."