

BRIEFS

**PDO says Pampanga project remains 'flood-free'**

PUEBLO DE ORO (PDO) said residents of its subdivisions in San Fernando, Pampanga have benefited from the flood control measures it put in place since the projects were developed twenty years ago.

In a statement, PDO said it commissioned a flood water study before starting development activities for its residential subdivisions — Horizon Residences, La Aldea Fernandina and Park Place Pampanga.

It spent around P150 million to elevate the 30-hectare property by 1.5 to 3 meters above its original level.

PDO also introduced an efficient drainage system that "allows rainwater to spread through different canals and freely run off, thus preventing the accumulation of water."

PDO said its residential projects in Pampanga have never experienced flooding, even during strong typhoons that flooded surrounding areas.

"Pueblo de Oro has always believed in putting quality and responsible engineering and design foremost into its developments," PDO Senior Vice-President Leonard B. Dayao, Jr. was quoted as saying.

MRT-7 completion to boost property values along its route

PROPERTY values are set to appreciate further in North Caloocan, Novaliches and up to San Jose del Monte in Bulacan as the Metro Rail Transit Line 7 (MRT-7) is on track for completion by the end of this year, Leechiu Property Consultants (LPC) executives said.

"The 24.7-kilometer rail and road project that starts from North Avenue in Quezon City will unlock the potential of tracts of land along the route as they become easily more accessible to Metro Manila's business districts and other places of work," Alvin Magat, LPC director for investment sales, said in a statement.

MRT-7 runs from North Avenue, Quezon City to San Jose del Monte in Bulacan. It aims to accommodate up to 300,000 passengers in its first year of operation.

"If you take MRT-7, then connect to MRT-3 to Makati or LRT-1 to Manila from the North, travel time to business districts along the route will be cut to less than an hour. This development will entice middle managers and employees and their families to give up Metro Manila's more crowded and expensive residential units for attractive and more spacious, masterplanned neighborhoods in the North," Mr. Magat said.

Major developers including Ayala Land, Inc., SM Development Corp. and Vista Land & Lifescapes, Inc. have acquired land along the MRT-7 route.

"No matter what the economic situation, properties in strategic locations will always remain great investments," Mr. Magat said.

Ortigas Land's GH Tower offers 'workplace of the future'

ORTIGAS LAND is targeting to open a new office building and regional mall within the Greenhills Center in San Juan by 2023.

GH Tower is a 15-storey office building which aims to cater to the evolving needs of tenants, especially information technology and business process management (IT-BPM) firms and companies that are returning to onsite work.

"GH Tower is a very exciting development for Greenhills Center. Having an office address at the heart of Greenhills, in one of the most established business districts of the country provides businesses and individuals access to environments with the most potential," said Trina Chan, assistant vice-president and head of office business unit at Ortigas Land.

"With the convenience brought by so many building amenities and community features in the area, GH Tower can truly meet the demands of the workforce as we approach endemic and even post-pandemic."

Avida's Pasay condominiums targeting young professionals

AVIDA LAND Corp. aims to attract young, value-conscious yet discerning Filipino millennials and families with its latest projects in Taft Avenue and Roxas Boulevard.

The mid-range residential brand of property giant Ayala Land, Inc. (ALI) said that its hopes are high for Centralis Towers, a one-tower high-rise development located on a 3,380 square meter (sq.m.) lot on Taft Avenue, and Patio Madrigal, a two-tower mid-rise development located on a 6,222.50 sq.m. lot on Roxas Boulevard.

"We've catered to the middle class before but [with these properties] we offer value in terms of space. Majority can enjoy units facing either the Makati or Malate skyline," said Reginald D. Alabe, Avida Land's business area head for Metro South properties, at a media briefing on Sept. 21.

"Centralis will follow the formula of our successful development in the area, Prime Taft. It targets affluent young people in

Taft ... For Patio Madrigal, our target is professionals who've established themselves but don't want to live in Makati," he added.

Model units for both condominiums are now available for viewing at the newly launched Avida Land showroom on the second floor of Ayala Malls Manila Bay.

Bing C. Gumboc, Avida Land's vice-president for sales and marketing, explained that young home seekers can take the opportunity to visit the new showroom for a glimpse of "the curated Avida lifestyle in its intimate yet inspiring form."

"We invite the younger generation, who now have an increased sense of the world. They are more into investing and taking advantage of what the world offers. They also want to retire earlier now," she said during the same briefing.

To cater to this market, Centralis Towers provides affordable residence for a live-work-play lifestyle near three cities — Pasay, Makati, and Manila.

It will have 1,111 residential units, 285 parking units, and one retail unit. Unit sizes range from 23 sq.m. for studio and junior one-bedroom to 57 sq.m. for two-bedroom. Prices start at P6.4 million for the studio and go up to P15.9 million for a two-bedroom unit.

Centralis Towers' amenities include a co-working space, an indoor lounge, a children's play area, an adult pool, a garden lounge, and a wellness nook.

"Those of you who are aspiring for a place where you can nurture your passion and thrive in unlimited possibilities, we hope you can take the leap to independence and have your first investment with Avida," Ms. Gumboc said.

Meanwhile, Patio Madrigal, a joint partnership with the Madrigal family, offers upscale yet easy living for young business owners, professionals, investors, overseas returnees, and retirees.

Its two towers will have 1,138 residential units, 341 parking units, and 11 retail units. Unit sizes range from 26.43 sq.m. for

a studio to 41.38 sq.m. for a one-bedroom unit. Prices start at P10.1 million for the studio and go up to P15.8 million for a one-bedroom unit.

Patio Madrigal's amenities include a clubhouse, a multi-function room, a garden lounge, a viewing deck, an adult pool, a kiddie pool, a children's play area, and an indoor gym.

Mr. Alabe noted that Patio Madrigal's location is a huge selling point as it is the first Ayala and Avida project in Roxas Boulevard, where residents can view either the famed Manila Bay sunset or the bustling metropolis' skyline.

"Avida is still sticking to its middle-income format wherein we cater to the mid-range market, but Patio Madrigal gave us that opportunity to level it up a little bit than our usual projects," he said.

As of September 2022, Centralis Towers is 22% sold while Patio Madrigal is 29% sold. Avida Land is expecting to complete both condominiums by the end of 2023. — **Brontë H. Lacsamana**

Mortgages approach 'scarily high' level in UK

UK LENDERS are offering mortgage rates not seen in more than a decade as market turbulence continues to upend the housing market.

HSBC Holdings Plc is advertising a two-year fixed-rate deal with 95% loan to value at 6.64% on Friday, while First Direct, a division of HSBC, has a similar deal on offer for 6.24%. Nationwide Building Society was advertising two-year fixed rate deals for 95% LTV at 6.19%.

The average rate for two-year loans at 95% of the home's value hasn't surpassed 5.4% since 2008, according to Bank of England (BoE) data.

"Most people would think 6.5% to 7% would be scarily high," said Ray Boulger, a manager at loan broker John Charcol. "First-time buyers are those that will be most badly hit as they are often the ones that have to borrow at 95% LTV," he said.

Such rates are so far limited to a small corner of the market. The 95% loan to value in recent years accounted for a fraction of all mortgage lending, according to Bloomberg Intelligence. At 75% loan to value, banks were typically offering rates ranging from about 4% to 6% on Thursday.

But it caps a wild week that saw some house sales collapse and mortgage costs soar after the UK government's mini-budget. The average monthly cost of a two-year fixed-rate mortgage may rise by 70% by March from January this year, Bloomberg Economics estimates.

The possibility of 7% rates is raising eyebrows among brokers due to its role in helping regulators determine whether firms can withstand financial calamity.

Starting from 2014, the Bank of England's Financial Policy Committee required lenders to test whether borrowers could withstand prices at 3% more than the reversion rate in their mortgage contract, usually around 7%. It ended the practice in August as other tests were in place.

The 7% level is also a key element of the Financial Conduct Authority's (FCA) regime. Under FCA rules, banks stress test whether mortgage borrowers can withstand rate rises as part of their affordability checks. The FCA doesn't prescribe this number but typically

this rate has been between 6% and 7%, according to a person familiar with the matter.

Representatives for HSBC, the FCA and the BoE declined to comment. First Direct and Nationwide didn't respond to e-mails seeking comment.

"Any number above 6% is significant," said said Andrew Montlake, managing director at mortgage broker Coreco. "People who are re-mortgaging will have a massive payment shock."

But current mortgage levels are already spooking the market. Ian Wyn-Jones, director of Ian Wyn-Jones Estate Agents in north Wales, said he had seen up to 18 sales collapse this week, costing him £20,000 (\$22,282) to £30,000 in fees.

"Customers who thought they had their dream home have had it ripped from them," he said by phone. "We're talking about families with children starting high school, families of three or four living in a four-bedroom property. It's a horrible situation for most people." — **Bloomberg**

Can crowdfunded property turn rundown neighborhoods around?

WASHINGTON — When residents of a quiet neighborhood in Washington DC heard their century-old corner store would be shut down and sold, they reeled in disbelief for a few days — then went all out to save it.

"It's always been here," said Christine Campbell, 57, a third-generation resident whose home is just down the street from Mott's Market.

Mott's, she said, was stitched into her daily routine, as it was for many in her Capitol Hill neighborhood.

"From any memory I have, it was running to the corner store to pick up bread, pick up milk — just all of the basics," she told the Thomson Reuters Foundation, standing outside the small, two-storey brick building, its door locked since March.

That door may soon be unbolted. Next week, Ms. Campbell and about 40 other investors get to buy the

building, after a blitzkrieg of yard signs, online campaigning and door-to-door mobilization.

"It was really leapfrogging from one person's set of neighbors and friends to another person's neighbors and friends," said Michael Skinner, 48, a leader of the effort.

"It took a crowd of people."

The Capitol Hill campaign was a labor-intensive one-off, but the idea of harnessing small-scale investors for real estate development is gaining momentum nationally, boosted by digital platforms and federal rule changes that green-lit such financing then raised the cap on what developers could raise.

Backers say the approach opens up real estate investing to a broader pool of buyers and gives locals a say in neighborhood investments — and a stake in any profits, too.

It draws elusive finance to offbeat projects and often marginalized female and minority developers, said Molly McCabe, chief executive of HaydenTanner, an investor advisory firm.

"Real estate has traditionally been left to those who already have money to make more money. And crowdfunding gives you a platform to democratize that," she said.

"This is one way to really ensure the community gets to participate and benefit from what's being created, and to have a sense of ownership."

HAVE OWNERSHIP

Crowdfunded real estate took off after a law change went into effect in 2016 that liberated US investments from the books of accredited advisers, opening deals to new players.

Globally, crowdfunded real estate is expected to grow to nearly \$869 billion

in 2027 from \$13.2 billion in 2018, according to market researchers Facts and Factors Research.

Lyneir Richardson, a real estate developer and chief executive of Chicago TREND, a social enterprise, took his first dive into crowdfunding last year.

He crowdfunded part of the purchase of Walbrook Junction, a 40-year-old shopping center in Baltimore that he said was once a center of the Black community but has seen major decline.

Now the idea is to resuscitate Walbrook Junction and breathe life and wealth back into a rundown neighborhood.

Mr. Richardson held more than 60 meetings with religious groups, parents, senior citizens and other locals to spread the word.

Eventually, 130 Black investors wrote checks ranging from \$1,000 to \$50,000, Richardson said — and "nine in 10 are

individuals that care about the neighborhood or have some connection to the neighborhood."

He is also applying for city funding and says the crowdfunding will help: "It's me and 130 local Black investors saying it's important for neighborhood revitalization."

Social entrepreneur Jeff Billingsley said he jumped at the opportunity to invest in Walbrook Junction — as did a relative, after he shared details on social media.

"People normally don't know about things of this nature happening in communities of color. This is a solution to have ownership in something you can say is helping to improve the economy of urban communities," said the 54-year-old.

'IN YOUR OWN BACKYARD'

A few miles east, Joanna Bartholomew also used crowdfunding to raise capital

for Aruka Midway, hoping to restore a run of 23 Baltimore row houses that have sat vacant for decades.

"We did it with the purpose of showing people you can have a stake in the neighborhoods you're from, or neighborhoods that remind you of where you grew up," said Ms. Bartholomew, chief executive of O'Hara Developments.

"That you're able to invest in your own backyard." — **Thomson Reuters Foundation**

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