

Demand for flexible workspace surges in PHL

DEMAND for flexible workspace surged in Metro Manila this year, unlike other Asian cities which continued to see a slump, according to The Instant Group.

“Metro Manila is predicted to see record demand levels this year, up 112% on pre-pandemic levels. The flex industry across Metro Manila has continued to strengthen, driven by the widespread adoption of hybrid working models from a wider

selection of industries and larger occupiers,” Instant said in a Nov. 3 report.

It noted the Philippines is still a very attractive market for international companies and business process outsourcing (BPO) firms due to the low labor costs and diverse talent pool.

Instant noted that many BPOs are now using flexible workspaces as part of their long-term hybrid work solutions amid the coronavirus pandemic.

“Strong demand growth across Metro Manila has resulted in desk rates increasing across all business hubs as it becomes a seller’s market. As demand shifts outside Makati City, rates in Ortigas and Taguig City are overtaking those in the Central Cluster,” it said.

According to Instant, Manila had the highest desk rate at \$291 per month, followed by Taguig City and Bonifacio Global City with \$273.

The desk rate in Ortigas stood at \$264, while the rate in Makati

City is at \$235. Quezon City is the most affordable with an average desk rate of \$216 per month.

Demand for flexible workspaces in Ortigas increased 83% this year from a year ago, the fastest growth in Metro Manila, Instant said.

Instant noted that growing demand and supply struggles will push desk rates for flexible office spaces even higher.

“Although supply is expanding, demand is predicted to potentially outstrip supply, so further invest-

ment is needed to keep pace. High vacancy rates in the traditional sector means that there is significant room for growth,” it said.

Data from Instant showed KMC Solutions had a 15% share in the country’s flexible workspace market, followed by IWG’s 10%, vOffice’s 3% and WeWork’s 2%.

“The Philippines is proving to be an attractive location for multinationals. As demand increases, the real estate solutions available are becoming more sophisticated

in terms of both flexibility and cost reduction, but employers are also realizing that they need to provide a real estate solution that will attract employees as the labor market becomes more and more competitive,” Sean Lynch, managing director of The Instant Group Asia Pacific, said.

The Instant Group is described as a global workspace innovation firm and largest global marketplace for flexible workspace. — **Cathy Rose A. Garcia**

HK home prices plunge most since 2016 on higher rates

THE slump in Hong Kong’s (HK) property market is accelerating as borrowing costs rise.

The Centaline gauge of secondary home prices fell 2% in the week ending Oct. 30 from the previous week, the most since March 2016, according to data released on Friday. The drop took the index to its lowest level since December 2017.

Hong Kong property was among the biggest beneficiaries of low global interest rates, with the Centaline gauge surging more than 500% from its 2003 low to last year’s high. That’s now starting to reverse as borrowing costs jump, the economy shrinks and an exodus of residents adds to selling pressure. The secondary home price index has fallen 14% from its 2021 peak.

The city’s one-month borrowing cost, known as Hibor, has climbed to its highest level since 2008 due to Hong Kong’s currency peg with the greenback. More than 96% of mortgages are tied to Hibor, according to September data for new loans by the Hong Kong Monetary Authority.

New home sales may reach just 50% of annual completions this year, the lowest proportion in more than two decades, according to Bloomberg Intelligence (BI). Developers may need to offer discounts in order to sell vacant units, particularly studio flats, where buyer demand is weak, BI said.

Goldman Sachs Group, Inc. expects residential property values in the city to plummet 30% through 2023 from last year’s levels. — **Bloomberg**

Driven,
from S1/1

Finance, Ms. Laus-Velasco said, was initially a challenge but she soon learned to enjoy digging into the company’s numbers. This gave her a much better understanding of the business beyond just selling and marketing cars.

This holistic understanding of the financials, operations, and servicing led her to the importance of after-sales, which she focused on when she became executive director at GCPI.

In 2004, Ms. Laus-Velasco became chief operating officer and managing director of GCPI after the company opened its third dealership in Dagupan City. Under her leadership, the company continued to expand and now has 10 Ford dealerships in its portfolio.

Ms. Laus-Velasco attributed her entrepreneurial traits to her father. She fondly recalled how her father used to bring her along to different business and social functions to expand her network, even teaching her how to change tires. This made it even harder to cope with his unexpected death in 2019.

Losing her father while bearing the responsibility of upholding his legacy was one of the most difficult times in her life. As the eldest female and head of the business, Ms. Laus-Velasco assumed the position of chairman and chief executive officer (CEO) of the Laus Group of Companies (LGC), assuring stakeholders of business continuity.

She had big shoes to fill while navigating the new, challenging family dynamics. Since then, the Laus family continued to nurture both their business and close ties through consistent family governance sessions. With their strong family bonds and shared vision, they were able to work through the challenges together.

Little did Ms. Laus-Velasco know the challenges she had to overcome would prepare her for an even bigger disruption — the coronavirus disease 2019 (COVID-19) pandemic. Seeing the need to innovate, she introduced virtual selling, where customers can buy a vehicle without leaving their homes.

Her father had always expressed his desire to help in the development of Pampanga and the rest of Central Luzon. Ms. Laus-Velasco honors her father’s legacy by continuing the programs of the Levy P. Laus Foundation. This led her to become one of Ford’s 2021 Salute to Dealer Honorees, the first Filipina entrepreneur to ever receive this honor. She was also the lone honoree from Ford’s International Markets Group.

Aside from the foundation, Ms. Laus-Velasco also champions education by providing scholarships and on-the-job training for technicians and partnering with the Department of Education (DepEd). She helped facilitate the donation of unused engines to a Pampanga technical school to provide students with hands-on experience.

To advocate environmental sustainability, she piloted the Balik Baterya Program, which collects used lead-acid batteries at LGC-owned Ford dealerships for recycling and use in the production of new industrial and automotive batteries. The company is also exploring solar options for its offices and use of accredited disposal groups for their used oils.

In 2019, LGC partnered with Rise from Hunger, an Ayala Foundation program that provides food for undernourished children.

As a patron of Central Luzon arts and culture, Ms. Laus-Velasco also started the “HeART of Central Luzon,” where LGC dealerships hosted free art exhibits in their showrooms.

She recognizes the importance of diversity and inclusivity in the automotive industry. As a woman that had to embark on her journey in a male-dominated industry, she rose above the stereotypes by elevating her leadership and personally demonstrating her passion for cars and customer care.

Today, Ms. Laus-Velasco runs all 65 dealerships of the LGC alongside her siblings, and handling the diverse business units of the Pampanga-based conglomerate.

At the end of the day, she measures the success of the business by the happiness of her customers and her people. GCPI focuses on providing convenience, innovation and value-added services to ensure customer satisfaction.

One cannot help but think that the late Levy P. Laus would be very proud of how his daughter inherited his drive for excellence and service — this time, in the driver’s seat.

The media sponsors of the Entrepreneur of the Year Philippines 2022 are BusinessWorld and the ABS-CBN News Channel. Gold Sponsors are SteelAsia Manufacturing Corp., Uratex, and Navegar. Silver Sponsors are Intellicare, OneWorld Alliance Logistics Corp., and Regan Industrial Sales, Inc. Banquet Sponsors are Uratex and MerryMart Consumer Corp.

The winners of the Entrepreneur Of The Year Philippines 2022 will be announced on Nov. 21 in an awards banquet at the Grand Hyatt Manila. The Entrepreneur Of The Year Philippines will represent the country in the World Entrepreneur Of The Year 2023 in Monte Carlo, Monaco in June 2023. The Entrepreneur Of The Year program is produced globally by Ernst & Young (EY).



ALI’s tallest building

AYALA LAND, Inc. (ALI) has completed the South Tower of Park Central Towers in Makati City. At 248 meters, the South Tower is the tallest building in ALI’s portfolio to date. South Tower is developed under the Ayala Land Premier, Inc. (ALP) brand. Attending the topping off ceremony were (from left) Edwin Magsalansan, director and VP of Sy2 + Associates, Inc.; Mitch Pineda, partner at Leandro V. Locsin Partners; Mike Jugo, ALPI president; Bobby Dy, ALI president and CEO; Meann Dy, ALI head of residential business group; Dan Abando, president and CEO of Makati Development Corp.; Paolo Viray, ALPI head of Sales and Marketing; Cheryl Uy, ALPI head of Project Development; Richard Yap, MDC construction management head, MDC; and Jean Luc Cuenin, ALPI construction management director.

Dollar,
from S1/1

It is also equivalent to 7.5 months’ worth of imports of goods and payments of services and primary income.

“Influx of dollars from the ROP bond issuance increased reserves from its previous month-on-month declines,” China Banking Corp. Chief Economist Domini S. Velasquez said in a Viber message.

The Marcos administration raised \$2 billion (P118 billion) from its first dollar bond issuance in October.

The BTr sold \$500 million worth of five-year bonds, \$750 million worth of 10.5-year bonds, and \$750 million worth of 25-year sustainability bonds.

“I think some components of the GIR benefiting from improved inflows, chief of which is the ROP issuance, and better reserve position,” Security Bank Corp. Chief Economist Robert Dan J. Rocas said.

According to the BSP, net international reserves rose by 1.1% to \$94 billion as of end-October 2022 from \$93 billion as of end-September.

Net international reserves refer to the difference between the BSP’s reserve assets (GIR) and reserve liabilities, including short-term foreign debt, and credit and loans from the International Monetary Fund (IMF).

The BSP’s reserve assets also include foreign investments, foreign exchange, reserve position in the IMF and special drawing rights (SDR).

The BSP’s foreign investments stood at \$80.01 billion as of end-October, 1.7% up from \$78.71 billion in the prior month, but 12.2% down from \$91.20 billion in 2021.

Meanwhile, the level of foreign exchange reserves declined 11.6% to \$1.45 billion as of end-October from \$1.64 billion in September, and 48% lower than the \$2.81 billion seen last year.

Reserves with the IMF went up by 3.2% to \$739.1 million in October, from \$716 million in the previous month, but 6.1% lower than the \$787.3 million a year ago.

SDRs — or the amount which the Philippines can tap from the IMF’s reserve currency basket — dropped to \$3.604 billion as of end-October, 9.2% lower from the \$3.97 billion in October 2021.

The Philippines received \$2.8 billion worth of SDRs from the IMF in August last year as part of the latter’s efforts to help countries recover from the coronavirus pandemic.

The value of the BSP’s gold holdings dipped 0.75% month on month to \$8.271 billion in October. It was also 9.4% lower than the \$9.13 billion a year ago.

“We think that reserves will likely stabilize soon as the country’s trade deficit narrows and remittances remain healthy. Lower global commodity prices led to lower growth of imports in September, and we expect this trend to continue moving forward,” Ms. Velasquez said.

The trade deficit narrowed to \$4.821 billion in September, from the record \$6.021-billion deficit in August.

“GIR would likely hover near current levels with external factors still a challenge. However, current levels and import cover also suggests monetary authorities have some ammunition to fend off currency volatility,” Mr. Rocas said.

The central bank has been active in the foreign exchange market, helping the peso rebound from its record low of P59 to \$1 in October. The peso depreciation has been attributed to the US Federal Reserve’s aggressive monetary tightening and the strong demand for dollars.

As of Monday, the local unit weakened by 12.9% or P7.58 from its P51-per-dollar finish on Dec. 31, 2021. — **Keisha B. Taasan**

4 Megaworld office buildings receive gold, silver LEED certifications

MEGAWORLD Corp. said four of its office buildings recently received gold and silver Leadership in Energy and Environment Design (LEED) certifications.

In a statement, the real estate developer said its 17-storey One Paseo in Arcovia City, Pasig City and the 25-storey Worldwide Plaza in Uptown Bonifacio, Taguig City earned Gold LEED certifications.

One Paseo is the first office development within the 12.3-hectare Arcovia City, while Worldwide Plaza is a build-to-suit office building that is home to JPMorgan’s Philippine Global Service Center.

Silver LEED certifications were given to Alliance Global Tower and Uptown Place Tower 3, both located in Uptown Bonifacio.

“Megaworld has always been an advocate for sustainable developments, as demonstrated by its commitment to build green buildings taking LEED standards into account across its various townships,” Megaworld Premier Offices First Vice-President Roland J. Tiongson said.

The new certifications from the US Green Building Council and Green Business Certification, Inc. brought

Megaworld’s total number of LEED-certified towers to 17 — seven gold and 10 silver certifications.

Megaworld’s other gold LEED-certified buildings include: 8 Campus A, 8 Campus B, 8 Campus C, and Southeast Asian Campus in McKinley Hill, and 10 West Campus in McKinley West.

Its other silver LEED-certified buildings are: 1 West Campus, 2 West Campus, 3 West Campus, 5 West Campus, 6 West Campus, and 8 West Campus in McKinley West. Uptown Tower Place 1 and Uptown Place Tower 2 are also silver-certified.

“Being the top office developer in the Philippines, we feel that it is our responsibility to lead the market in terms of improving our products in the best way possible, and we believe that having LEED-certified buildings allows us to achieve that,” Mr. Tiongson said.

“This is very important now more than ever because in a post-pandemic setting, having LEED-certified buildings also improves the working environment for its occupants,” he added.

Megaworld is planning to have “most, if not all” of its upcoming office towers to be LEED-certified. — **Justine Irish D. Tabile**

PLDT Enterprise, BDO fast-track digitalization with SD-WAN, WiFi projects



BDO tapped PLDT Enterprise to fast-track the bank’s digitalization efforts by rolling out Software-Defined Wide Area Networking (SD-WAN) and Wi-Fi services for all its branches.

PLDT Enterprise and BDO have forged a partnership to fast-track the bank’s digitalization efforts—an integral part in further improving its services for Filipinos.

BDO, a full-service universal bank that offers industry-leading products and services, tapped PLDT Enterprise to roll-out SD-WAN or Software-Defined Wide Area Networking and Wi-Fi services for all its branches—a major step in its mission for more agile and inclusive banking.

“At PLDT, we are all about delivering solutions that create real value for our customers and partners,” says Jojo Gendrano, SVP & Head of Enterprise and International Business Groups for PLDT and Smart. “That is why we are grateful for the trust of BDO, and we look forward to this meaningful partnership with them.”

“Cloud is the future, and the future is now,” says Edith Gomez-Cudiamat, VP & Head of Enterprise and International Business Solutions for PLDT. “There is no better way to start a business’ cloud journey than having a transformed network with better resiliency, security, and faster access to the internet. This is what SD-WAN provides to BDO and enterprises in the Philippines.”

SD-WAN is a connectivity solution that enhances network resilience for businesses and improves application performance across multi-site deployments. It also helps companies centrally and securely manage a multi-branch network, enhancing efficiency and continuity of business operations.

“Migrating to SD-WAN is foundational in supporting our digital transformation,” says Dennis Tangonan, FVP and Head of Technology Operations for BDO. “It is key to improving our customers’ experience, enabling us to accelerate the modernization of our customer touchpoints and significantly improve end user access to BDO applications.” As Project Director, Mr. Tangonan is pleased to share that they were able to deploy the solution ahead of schedule. He adds, “Because of the strong executive sponsorship and excellent delivery team from both parties, we were able to roll-out 100% in 12 months.”

PLDT Enterprise’s Managed WiFi service provides cost-effective hardware and software solutions that allow devices to connect to the internet wirelessly. It lets BDO and its customers enjoy a boost in productivity, mobility, and data security while accessing the internet across 1000+ branches.

“We are trying to strengthen resilience to be able to address possible impact of incidents such as the typhoon called ‘Odette’, which affected a lot of our branches,” shares Paul John Siy, SVP for Infrastructure & Operations for BDO. “With SD-WAN and the security protocols that they are implementing, more and more branches have increased service availability, which makes our clients have full trust in us.”

For Frederic Mark Gomez, SVP and CIO / Head of BDO’s Information Technology Group, it’s all systems go for the bank’s full digitalization. “We needed to ensure that we build our capabilities out for different markets, especially the underserved. SD-WAN was a big part of that. Customers will always expect responsiveness and reliability from the services we provide via our channels, including our branches as we implement more digital services in-branch.”

“We are excited for the partnership with PLDT Enterprise as we continue to move digital banking forward in the Philippines, boosting our service delivery and improving accessibility for our customers,” shares Frederic Mark Gomez.

For more information, visit <https://pldnterprise.com/>.



(From left) Paul Siy, SVP for Infrastructure & Operations for BDO, Frederic Mark Gomez, SVP and CIO / Head of BDO’s Information Technology Group, Dennis Tangonan, FVP and Head of Technology Operations for BDO