Bonifacio High Street is the most expensive shopping district in PHL

FIFTH AVENUE in New York City is the world's most expensive shopping street once again, according to a new global ranking from real estate services firm Cushman & Wakefield.

The report, "Main Streets Across the World," showed Fifth Avenue was the most expensive retail district in the United States, with an annual rent of $2,000 per square feet (sq.ft.) or €21,076 per square meter (sq.m.).

The second most expensive shopping street was Hong Kong's Tsim Sha Tsui, where rent averaged $1,436 per sq.ft. or €15,134 per sq.m. annually.

Third spot went to Milan's Via Montenapoleone at $1,380 per sq.ft. per year or €14,547 per sq.m., making it Europe's most expensive shopping street.

Ranked fourth and fifth respectively were New Bond Street in London and Avenues des Champs Elysees in Paris.

Rounding out the top ten most expensive shopping streets were Ginza in Tokyo; Banhofstrasse in Zurich; Pitt Street Mall in Sydney; Myeongdong in Seoul; and West Nanjing Street in Shanghai.

Bonifacio High Street is the most expensive retail district in the Philippines, but was 41st in Cushman & Wakefield's global ranking.

However, Bonifacio High Street's annual rent remained at pre-pandemic levels of $46 (around P2,550) per sq.ft. or €480 (around P28,200) per sq.m., and significantly lower than the rents in Fifth Avenue and Tsim Sha Tsui.

Claro Cordero, director and head of research, consulting and advisory services at Cushman & Wakefield, said the retail environment in the Philippines at the height of the pandemic was similar to other markets when most businesses were put to a standstill.

The Philippines implemented strict lockdowns for most parts of the country starting mid-March 2020 to prevent the spread of the coronavirus disease 2019 (COVID-19). Restrictions have since been lifted.

"(The) high-end retail segment is seen to gain lost grounds in the medium-term, while full recovery of the mid-end retail segment will take a while due to challenges in the growth of consumer spending attributable to the escalating prices of goods and services," Mr. Cordero said in a statement.

Demand for luxury will continue to grow as wealthy shoppers are undaunted by high inflation, he added.

"In the Philippines, the decoupling of the high-end/luxury and mid-end segment post-pandemic will be largely due to the ability of the luxury brand operators to embrace changes in consumer preference and shopping habits," Mr. Cordero said.

He noted that new retail space completions in the mid-end segment remained "lackluster as developers reassess expansion strategies in favor of more resilient asset classes."

"As retail space vacancies in the mid-end segment were still observed to be high compared with pre-pandemic averages, the high-end retail segment has since recovered due to improvement in mall features (such as higher ceiling, better air circulation that mimic 'outdoor' spaces) that enhance 'experiential shopping'," Mr. Cordero said.

Cushman & Wakefield's Main Streets Across the World report monitors the top retail streets around the world, ranking the most expensive in 92 cities by prime rental value using the company's data. The latest report is the first since 2019.

Cushman & Wakefield noted that rents in prime retail districts fell by an average of 13% during the height of the pandemic, but have now rebounded to just 6% below pre-pandemic levels.

Rental growth averaged 2% globally, but this varied by region. Asia-Pacific saw rents plunging 17% on average as border closures hurt tourist hotspots. In EMEA, rents fell by 11%, while the drop in the Americas was at 7%.

Global retail market rents have rebounded by around 50% since the height of the pandemic.

However, this rebound was mostly seen in 2021 and early 2022 before global economic headwinds impacted markets in the last six months, according to Cushman & Wakefield.

"The industry has been through one of the biggest stress tests imaginable over the past few years, but retail real estate has come out of the other side stronger, with brands understanding their customers better than ever," Robert Travers, head of Europe, Middle East, and Africa (EMEA) Retail at Cushman & Wakefield, said in a statement.

"With further investment in high-quality in-store experiences and advances in omnichannel approaches, we are confident in the resilience of the sector, particularly at the luxury end, and in key global destinations," he added. — **Cathy Rose A. Garcia**

AEON BLEU FACEBOOK PAGE

CONCEPTUAL model of the planned Aeon Bleu complex

FTC Group launches mixed-use, high-rise project in Davao City

REAL ESTATE developer FTC Group of Companies Corp. has launched its second project in Davao City.

FTC Group is developing Aeon Bleu, a complex with three residential buildings, one condotel, one office building and another one for sports and lifestyle activities.

"Aeon Bleu's phase 1 construction is now ready to begin. This will comprise of residential towers 1 and 2, the condotel at tower 3, and the Club at tower 5," FTC Group President and Chief Executive Office Ian Y. Cruz said at the groundbreaking ceremony on Dec. 12.

The Club Aeon is considered "the crown jewel" of the project, Mr. Cruz said. It will have a basketball court, fitness facility, children's playroom, entertainment area, and six themed swimming pools.

"Phase 2 will comprise the construction of Corporate Tower at tower 4 and the future residential development at tower 6," he said.

Aeon Bleu, being developed by subsidiary Aeon Luxe Properties, Inc., is the homegrown company's second project in the city.

The first was the 33-floor mixed-use Aeon Towers, currently the tallest building in Mindanao in southern Philippines.

Mr. Cruz said the highest building in the new project will have 26 floors. It will be located in a 1.6-hectare property along Bacaca Road in a central part of the city.

"We've planned meticulously to build such luxury in the heart of Davao. We started with small steps then we picked up our pace and today we're finally going to take a giant leap towards the realization of Davao's Aeon Bleu," he said.

The company first announced plans for the Aeon Bleu project in 2018.

Mr. Cruz said they are targeting to complete phase 1 in three years, and the second phase after three more years. — **Maya M. Padillo**

For many people, that Instagram dream home will have to wait

By Leticia Miranda

THREE YEARS into the pandemic, America's better-home obsession is fading fast.

The thirst for $13,000 leather couches, $1,200 coffee tables and $100 lamps that led to a boom for Williams-Sonoma, Inc. and R-H, Inc. and resurrected the fortunes of Wayfair, Inc. looks solidly in the past. Inflation is driving people to buy less of the nice-to-have home purchases and more of the need-to-have. For anyone riding high on the home investing boom, that bubble has burst.

Look no further than on Thursday's bleak retail numbers. November retail sales fell by the most in nearly a year, with home furnishing and building supplies showing some of the steepest declines from the previous month, according to the US Census Bureau.

Home improvement and furniture companies saw concurrent lifts in business as the housing market tightened during the early pandemic years. Lowe's Cos., Inc., Home Depot, Inc. and previously struggling furnishing companies such as Wayfair saw soaring sales from people cooped up at home with money to spare from stimulus checks. People could no longer ignore their disorganized garages, that one hole in a wall or the cracks in their old bathroom tiles as offices, restaurants and bars closed. Low interest rates helped folks tap their home equity and refinance to tackle larger projects.

Many potential homebuyers, put off by rocketing property prices, turned instead to fixing up their existing homes or rentals with new paint or maybe a do-it-yourself (DIY) garden bed. At nearly every level, people were looking to spruce up their homes in whatever way they could.

But that fast uptick in home spending has fallen off fast, too. Much of the initial pandemic spending has receded, and inflation is driving people to focus on necessary purchases. That pivot favors home improvement over furniture in a tough selling environment.

Already, these shifts are apparent: Home improvement retail sales have grown by about 7% over the year, while home furniture sales have grown just 1%, according to the US Census Bureau. Lowe's and Home Depot have been cautiously optimistic about their prospects for next year. There's still pent-up demand for larger home renovation projects, and the companies anticipate that elevated home prices will encourage people to continue to invest in their homes through DIY projects or replacing broken appliances.

But the likes of Wayfair, Williams-Sonoma and R-H are in for a tough year. R-H's Chief Executive Officer Gary Friedman put it bluntly when he told investors in September that "anybody [who] thinks we're not in a recession is crazy.'' New home sales have fallen most months this year and the outlook for next year is clouded by continuing Federal Reserve interest-rate increases. That means fewer new buyers on the market looking to fill their shiny new homes with furniture and appliances.

It's not all doom and gloom, though. Shopping behavior has dramatically changed with the pandemic as phones and laptops became people's most consistent connection to the world. In that time, retailers discovered that browsing the internet and home-improvement shows on Netflix and the like are an important and valuable demand generator both online and in-store.

Homebuyers, renters and stretched homeowners may not be in a position to spend like they did in 2020, but they are still dreaming about it. For retailers, that amounts to pent-up demand that will be unleashed later down the line. Retailers who recognize this opportunity will come out the other end of a rough economic moment with more loyalty than they had before. And in a competitive market, the better companies can tap into shoppers' Instagram home-decor dreams, the better they'll survive. — ***Bloomberg Opinion***

ALI, BPI Foundation open 2nd Sinag store

AYALA LAND, Inc. (ALI) and BPI Foundation recently inaugurated the second Sinag Sari-Sari Social Enterprise Store at Glorietta.

The project is a joint initiative of ALI's Alagang AyalaLand and BPI Foundation's Sinag program "that aims to nurture and empower the social enterprise sector through capacity building, financial support, and market access."

The Glorietta store features 19 Sinag social enterprises that offer eco-friendly items, locally-produced shoes, bags and home accessories.

Alagang AyalaLand is a community engagement program focused on generating livelihood and jobs through social enterprises. BPI Foundation and its implementing partner, Bayan Academy organized the participating Sinag merchants.

"This three-way collaboration on social enterprise will lead to other things. I'm sure the AyalaMalls will continue to spread this throughout the country. Entrepreneurs really are the building blocks of our economy in every way so for us to be able to do some small part to help is just a pleasure," Ayala Corp. Chairman Jaime Augusto Zobel de Ayala said in a statement.

Glorietta is one of 32 Ayala Malls with Alagang AyalaLand Centers. The program supports more than 1,100 social enterprises.

Agri,

from S1/1

Several typhoons caused significant agricultural damage, causing supply shortages this year. This has driven prices of key agricultural commodities higher in recent months.

Headline inflation accelerated to a 14-year high of 8% in November, mainly due to the spike in food prices. Prices of vegetables, fruits, and rice rose as a result of lower production brought about by typhoon damage and higher cost of inputs.

Agriculture Senior Undersecretary Domingo F. Panganiban said onion supply will be enough next year as local supplies will enter the market in January and February.

"I think that we are in a position that by next year we shall have more supply," he said at the same briefing.

Agriculture Assistant Secretary James A. Layug said the department is now in coordination with the Department of Justice to create a legal team against agricultural smuggling.

Meanwhile, Mr. Panganiban defended President Ferdinand R. Marcos, Jr.'s decision to extend the reduction in tariffs on pork, corn, and rice until Dec. 31, 2023.

He said the DA is working to increase the production of agricultural products, and additional imports will ensure enough supply is available and keep prices stable.

"We need to balance the supply, in the case of typhoons during harvest season. We don't want to see people suffering because of the rise of the prices. We need to stabilize production to lower the price," Ms. Sombilla said. — **AEOJ**

Growth,

from S1/1

The NEDA Board, chaired by President Ferdinand R. Marcos, Jr., approved the PDP on Dec. 16.

Under the PDP, the government seeks to lower the unemployment rate to between 5.3% and 6.4% and bring inflation down to 2.5%-4.5%.

Mr. Balisacan said poverty incidence is also expected to drop to 16.2% in 2023 from 18.1% in 2021.

"The timely adoption of the PDP as the country's development roadmap shall ensure the alignment of government resources, programs, projects, and activities along with the identified strategies that will enable us to achieve our desired socioeconomic objectives," Mr. Balisacan said.

"The plan will address short-term issues such as protecting people's purchasing power, mitigating the socioeconomic scarring in human capital, and ensuring that vulnerable population segments are provided targeted assistance," he added.

Full of details of the PDP will be published by yearend.

MAHARLIKA

Meanwhile, Mr. Balisacan urged the Senate to act on the proposed bill creating the Maharlika Investment Fund (MIF) "the earlier the better," saying that it could support the newly approved socioeconomic development plan of the country.

"The Maharlika Investment Fund is just another source of funds that will support our priorities, particularly investment priorities, and we see the Maharlika as another vehicle for sources of funds and investments," he said.

He added that the MIF would be another source of financing for the government's major infrastructure projects, such as the official development assistance, public private partnerships and national budget.

"The more vehicles you have, the better," he said. "That will ensure that we can ramp up, not only the infrastructure, but even the other development priorities of the government."

Last week, the House of Representatives approved on third and final reading the bill creating the MIF just over two weeks after it was filed by Speaker Ferdinand Martin G. Romualdez. — **Keisha B. Ta-asan**

DBP 3Q net income soars to P5.35-B

State-owned Development Bank of the Philippines (DBP) has posted a net income of P5.35-billion in the first nine months of 2022, showing a significant growth of 177% from the P1.93-billion recorded during the same period last year, as the Bank intensified its lending activities to key sectors of the economy, a top official said.

DBP President and Chief Executive Officer Emmanuel G. Herbosa said the increase in the Bank's net income was driven mainly by the growth in its total loans to borrowers as well as the continued rise in net interest income.

"DBP's resurgent performance this year attests to its stability as a government financial institution and reflects the optimism in the country's economic prospects as we emerge from a downturn exacerbated by the pandemic," Herbosa said.

DBP is the eighth largest bank in the country in terms of assets and provides credit support to four strategic sectors of the economy – infrastructure and logistics; micro, small and medium enterprises (MSMEs); the environment; and social services and community development.

Herbosa said the Bank's total loans to borrowers from January to September 2022 reached P504.8-billion, reflecting a 15% growth from the P439.30-billion recorded last year, on the back of accelerated lending boosted by the full reopening of the economy.

He said P270-billion or 53.49% of total loans were allocated for infrastructure and logistics sector, with the bulk of the projects situated in the National Capital Region, Central Visayas, Central Luzon, Calabarzon, Eastern Visayas and Davao.

"DBP's support for social infrastructure and community development projects totaled P103.71-billion, representing 20.5% of its total loan portfolio," Herbosa said.

"The Bank also provided P54.35-billion in loans for environment-related projects, P48.24-billion for the agriculture sector, P30.30-billion for MSME sector and about P74.46-billion for projects in finance and insurance, manufacturing, wholesale and retail trade, accommodation, and food services," Herbosa added.

DBP Executive Vice President for Operations Fe Susan Z. Prado said the Bank's net income before provisions stood at P10.62-billion which was largely weighed down by provision for credit losses at P4.25-billion and income taxes at P1.02-billion.

She said DBP's strong financial performance in the past quarter has enabled it to exceed its recalibrated 2022 net income target of P3.85-billion and solidify its position as one of the top performing banks in the country today.

"Beyond the numbers, DBP's financial standing mirrors the general trend for the Philippine economy in general, which is breaking the odds and have performed considerably well despite the challenges and adversities," Prado said.