

Keeping up with positive net take-up

Metro office absorption rebounds after 2 years

By Kevin Jara

METRO MANILA office space deals continue to increase despite concerns of rationalized office space requirements from outsourcing companies implementing hybrid work arrangements.

Net take-up was positive in 2022, after two consecutive years of negative net absorption, indicating that actual take-up is greater than the amount of office space vacated in the market. New supply in Metro Manila is reverting to pre-POGO levels while demand is still likely to be buoyed by outsourcing companies. Flexible workspaces will likely play a crucial role in tenants' post-coronavirus disease 2019 (COVID-19) operations.

Colliers sees opportunities especially for flexible workspace operators within and outside Metro Manila. Landlords should also take advantage of healthcare outsourcing firms' office space requirements particularly those looking for high-quality spaces being offered at a discount. Developers should constantly be in touch with outsourcing firms with requirements outside the capital region.

COLLIERS INSIGHTS

MONITOR DEMAND FROM HEALTHCARE BPO FIRM

In 2022, we recorded about 23,800 square meters (256,100 square feet) of office transactions from healthcare information management service (HIMS) providers, or 9% of total outsourcing transactions in Metro Manila.

Among firms that expanded and took up new space include RI RCM in Quezon City and Tenet Healthcare in Fort Bonifacio. In our view, these firms took advantage of the availability of new, high-quality spaces and rental correction, as average rents in Metro Manila have dropped by a combined 37% from 2020 to 2022.

Colliers recommends that landlords actively monitor demand from HIMS that are likely to expand and take up office space within outside Metro Manila.

TAP OPPORTUNITIES OUTSIDE METRO MANILA

In 2022, Colliers recorded 221,100 sq.m. (2.4 million sq.ft.) of provincial transactions, nearly double the 113,100 sq.m. (1.2 million sq.ft.) posted in 2021.

Colliers recommends that developers complete delivery schedules of their projects as we have observed increasing inquiries from outsourcing firms especially in Iloilo, Bacolod, Bulacan, and Laguna.



MICHAEL VARCAS/PHILIPPINE STAR

Meanwhile, we also encourage developers to be on the lookout for potential demand in key cities such as Iligan, Dagupan, Urdueta, Malolos, General Santos, Tarlac, Cabanatuan and Puerto Princesa as these locations are touted as high potential areas for transformation into "digital cities" by 2025 according to the IT & Business Process Association of the Philippines (IBPAP).

From 2023 to 2026, we expect new supply to taper off and revert to pre-POGO levels (i.e., 2013-2016 new supply of between 450,000 and 550,000 sq.m. every year) where we see the annual average delivery of 555,000 sq.m. (6.0 million sq.ft.).

NEW SUPPLY

In 2022, about 750,300 sq.m. (8.1 million sq.ft.) of new office space was completed, lower than our forecast of 783,900 sq.m. (8.4 million sq.ft.) in the third quarter of 2022. Colliers attributed the lower-than-expected completion

to developers prioritizing the filling of spaces in their existing buildings and delays in securing permits from local government units (LGUs).

In 2023, we project new supply to reach 641,100 sq.m. (6.9 million sq.ft.), up from our previous estimate of 603,900 sq.m. (6.5 million sq.ft.). Colliers sees Ortigas central business district (CBD) and Quezon City covering about close to half of the new supply during the period.

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TRANSACTIONS UP 43%

As of end-2022, office deals in the capital region reached 603,800 sq.m. (6.5 million sq.ft.), up 43% from the 422,400 sq.m. (4.5 million sq.ft.) of office transactions in 2021.

Per submarket, Fort Bonifacio and Makati CBD posted the largest volume of transactions as occupiers took advantage of the availability of quality buildings and attractive rates. In the fourth quarter of 2022, only 111,200 sq.m. (1.2 million sq.ft.) of office deals were recorded, 34% lower quarter on quarter as most of the transactions were relocations.

Among the notable transactions in the fourth quarter of 2022 include: RI RCM in Que-

zon City, ADP Philippines in Makati CBD, PWC in Ortigas CBD and CIMB Bank in Fort Bonifacio.

In December 2022, the Philippine Economic Zone Authority (PEZA) reported that about 786 Information Technology and Business Process Management (IT-BPM) companies have been endorsed to the Board of Investments (BoI) for the paper transfer of registration seeking to enjoy 100% work-from-home (WFH) setup.

Meanwhile, the Fiscal Incentives Review Board (FIRB) has extended the deadline to Jan. 31, 2023, to allow more IT-BPM firms to "adopt flexible work arrangements on a long-term basis without adverse effects on their tax incentives."

Outsourcing firms dominated deals, covering nearly 70% of total provincial transactions. Among the locations with substantial deals include Cebu, Davao and Pampanga. The IBPAP is also optimistic of the outsourcing sector's growth in the next six years, expecting the segment to create 1.1 million direct jobs, with the provinces taking up 54% of the additional headcount.

Kevin Jara is the associate director for office services – tenant representation at Colliers Philippines.

SM Prime launches FourE-Com Center

SM PRIME Holdings, Inc. expanded its premium office portfolio with the launch of FourE-com Center in the SM Mall of Asia Complex.

"We are expanding our office portfolio on the back of our growth momentum and optimism on the continued recovery of the real estate industry. This is supported by return-to-office policies, take-up of office spaces driven by e-commerce, BPOs and data centers, and demand for innovative and sustainable office solutions that necessitate growth in the real estate sector," Alexis Ortiga, SM Prime vice-president for commercial properties group, said in a statement.

FourE-com Center will have 100,000 square meters of leasable area in three towers with 15 floors each. It is the latest Pre-LEED Gold certified office building in SM Mall of Asia Complex, and designed by multi-awarded and globally renowned architectural firm Arquitectonica.

"Arquitectonica's vision for FourE-Com Center is inspired by crystal formations, with three adjacent rhombic towers sprawling down from a landscaped sky garden podium," the company said.

FourE-com's sustainable design features include a double-glazed glass curtain to allow natural light to permeate into office spaces,



FOURE-COM Center is the newest Pre-LEED Gold certified office building in the SM Mall of Asia Complex.

COMPANY HANDOUT

use of LED lighting, water-saving fixtures and aerators, pressure-operated escalators, and recycled water for irrigation. Other building elements also include bike racks, shower rooms, and inter-connected elevated walkways to encourage reduction in carbon footprint.

"We continue to build green buildings with world-class amenities and sustain-

able features that provide an inspiring work environment for our tenant-partners and stakeholders," Mr. Ortiga said.

SM Offices' other LEED-certified buildings include ThreeE-Com Center in the Mall of Asia Complex, Mega Tower in the Ortigas central business district, Aura Tower in Bonifacio Global City, and North Towers in Quezon City.

Green office building Robinsons Cybergate Galleria Cebu gets EDGE certification

ROBINSONS Cybergate Galleria Cebu recently became the only building in the island province to get an EDGE (Excellence in Design for Greater Efficiencies) certification.

It is also the third EDGE-certified project for its developer, Robinsons Land Corp. (RLC).

"We need to develop more green workplaces that improve energy efficiency and boost productivity. We are committed to reduce our carbon footprint and this is very much aligned with the sustainability goals of our tenant partners as well. As we build offices of the future, we need to ensure that future generations will get to experience and enjoy these too," RLC Senior Vice-President and General Manager for Offices and RL Commercial REIT, Inc. President Jericho P. Go said in a statement.

EDGE is a building certification system created by the World Bank Group's International Finance Corp. for emerging markets. It seeks to promote resource efficiency in buildings by adopting designs that help reduce materials, water, and electricity consumption.

The Philippine Green Building Initiative considered several unique features of Robinsons Cybergate Galleria Cebu such as the reduced window to wall ratio, reflective paint and tiles for the roof, double glazed glass panels, and air conditioning units that employ Variable Refrigerant Flow technology.

The building also uses LED lighting, an automatic meter reading system, low flow faucets, low volume flush water closets, water efficient urinals, and rainwater harvesting system among others.

"This is an important milestone for Robinsons Offices. With Robinsons Cybergate Galleria Cebu along with the other office buildings that have been certified or awaiting a certification award, it is clear that we have the tools and innovations to become greener and more efficient. We now have the capability to accelerate the transition to a lower-carbon future and a goal of achieving net zero carbon by 2050," Mr. Go said.

PropertyGuru Awards open for submissions

PROPERTYGURU, a leading property technology company, said it expects to receive more diversified entries from the Philippines for this year's Asia Property Awards.

Jules Kay, general manager of PropertyGuru Asia Property Awards, said the Philippine property market remains strong amid the economy's recovery.

"Last year in the Philippines it was the biggest we've ever had, so it's quite a high benchmark to reach. But from what we are hearing in the market, there are a lot of new products and there's a lot of progress with projects that are now completing or

getting close to completion," he said during the launch of the PropertyGuru Philippines Property Awards 2023 last week.

PropertyGuru Philippines Property Awards 2023 is now open for submissions on its website asiapropertyawards.com/nominations. The deadline is on July 14.

The site inspections for the entries are scheduled from Aug. 7 to Sept. 1, while final judging is set on Sept. 6.

The gala dinner and awards ceremony will be held at the Fairmont Makati hotel on Sept. 29. The regional grand final gala presentation in Bangkok, Thailand is set on Dec. 8.

Eligible entries are selected by the independent panel of judges, which include experts from various sectors such as real estate consultancy, architecture and interior design, and sustainable development.

PropertyGuru said it has two special recognition awards focusing on environmental, social and governance impact, and sustainable design.

"From a regional level, I can say that it's starting to have a real impact. [Buyers now] choose properties on their sustainability credentials," Mr. Kay said. — JIBT



MARKETS AND SECURITIES REGULATION DEPARTMENT

IN THE MATTER OF : REGISTRATION OF SECURITIES
Initial Public Offering

OVIALAND, INC. :
(Registrant)
x----- x

NOTICE

Notice is hereby given that on March 17, 2023, a sworn Registration Statement ("RS") has been filed with the Securities and Exchange Commission (the "Commission") on behalf of OVIALAND, INC. (the "Company") for the registration of up to One Billion Two Hundred Six Million (1,206,000,000) common shares to be listed and traded on the Main Board of the Philippine Stock Exchange, Inc and broken down as follows:

Description	Common Shares	
Primary Offer Shares (To be offered and issued by the Company)	up to 336,000,000 common shares	With an Offer Price of up to Five Pesos and Sixty Centavos (P5.60) per offer share
Secondary Offer Shares (To be offered and issued by the Selling Shareholder)	up to 24,000,000	With an Offer Price of up to Five Pesos and Sixty Centavos (P5.60) per offer share
Over-allotment Option Shares (To be offered and issued by the Selling Shareholders)	up to 36,000,000 common shares	With an Offer Price of up to Five Pesos and Sixty Centavos (P5.60) per offer share
Issued and Outstanding Common Shares (Not included in the Offer and Over-allotment option)	810,000,000 common shares	With Par Value of Fifty Centavos (P0.50)
Total	1,206,000,000 common shares	

The total gross proceeds² from the sale of Primary Offer Shares at the maximum offer price of P5.60 per share will be approximately P1.88 billion. Assuming that the Over-Allotment Option shares are fully exercised at the maximum offer price of P5.60 per share, the total gross proceeds will be approximately P2.02 billion.

According to the documents presented, the following persons are the directors and executive officers of the Company:

Name	Position
Giovanni Juzgaya Olivares	Chairman of the Board
Nanette Valmores Olivares	Director
Marie Leonore Fatima V. Olivares-Vital	Director
Paolo Giovanni Olivares	Director
Therese Marie Olivares	Director
Januario Jesus Gregorio B. Atencio III	Director
Gaudencio S. Hernandez, Jr.	Independent Director
Victorio C. Valledor	Independent Director

The following table sets forth the key executive and corporate officers ("Senior Management")

Name	Position
Marie Leonore Fatima V. Olivares-Vital	President and Chief Executive Officer
John Bryan A. Vital	Chief Financial Officer and Head of Investor Relations
Reynaldo Abrencillo	Chief Operating Officer
Jennifer S. Amante	Chief Revenue Officer
Mariz Mudlong	Finance Manager
Jelane R. Malabanan	Client Services Manager
Joseph S. Oabel	OLI-Cast Engineer Head
Michelle M. Pua	Sales Manager
Jerico M. Samaniego	Construction Manager
Alex Erlito S. Fider	Corporate Secretary
Graciella Marie D. Baldos-Paz	Asst. Corporate Secretary

On March 17, 2023, an application for the listing of all the Company's issued and outstanding Shares (including the Offer Shares) has also been filed with the Philippine Stock Exchange.

To implement necessary health protocols consistent with the directives and guidelines of the Department of Health for the protection of its employees and the investing public, the Commission hereby suspends the physical inspection of the RS and other papers/documents attached thereto (collectively referred to as "Documents") as well as providing physical copies thereof to interested parties, until further Notice. In lieu thereof, the Commission has adopted an alternative mode of viewing and/or downloading the said Documents and any subsequent amendments thereto by enabling interested parties to access the same through the MSRD corner of the Securities and Exchange Commission's website (www.sec.gov.ph) or the Company's website (<https://www.ovialand.com/>).

VICENTE GRACIANO P. FELIZMENDO, JR.
Director

¹ SEC Official Receipt for the filing fee of subject application was presented via email to the Commission on March 23, 2023.

² The Company will not receive any portion of the proceeds from the sale of a portion of the Firm Shares and Option Shares by the Selling Shareholders