

Competitive Philippine property landscape (Part 2)

By Joey Roi Bondoc

Editor's note: This is the second of Colliers' two-part column on the Philippines' competitive property landscape. The first column was published on July 4, 2023.

BULACAN TAKING OFF

Colliers believes that Bulacan will remain a viable residential investment option given its proximity to Metro Manila. In our view, the completion of the Metro Rail Transit-7 (MRT-7) and New Manila International Airport should strengthen Bulacan's stature as a major residential hub outside the capital region and in Central Luzon. The MRT-7 is now 58% complete and is expected to be operational by 2025. The railway project seeks to reduce travel time from San Jose del Monte, Bulacan to North Avenue, Quezon City from three hours to 35 minutes and can accommodate up to 800,000 commuters daily. Meanwhile, the New Manila International Airport, which is due for completion in 2027, should help decongest the Ninoy Aquino International Airport (NAIA).

Moving forward, Colliers sees more aggressive landbanking initiatives in Bulacan as developers take advantage of the locale's major

public projects due to be completed over the next two to four years. This should set the stage for greater acquisition of parcels of developable land in the province and the eventual launch and development of more masterplanned communities.

PAMPANGA: A PROPERTY HUB

Colliers believes that Pampanga is ripe for more luxury projects especially for the affluent market based in Angeles City and San Fernando. The development of more townships and infrastructure projects will likely further raise the attractiveness of luxury developments in Pampanga. The completion of big-ticket infrastructure projects in the next 12 to 36 months such as the NLEX-SLEX connector, Central Luzon Link Expressway (CLLEX), and Manila Clark Railway should also partly lift land values and property prices in the province.

Colliers believes that Pampanga is ripe for more industrial park developments given the presence of the newly-modernized and expanded Clark Airport.

We see Pampanga retaining its stature as one of the most competitive and attractive property development sites in north and central Luzon. National developers have expansive projects in the province. Colliers sees more aggressive devel-

opment outside of key areas such as Angeles, San Fernando, Mabalacat, and Porac. The province also continues to attract foreign firms planning to develop horizontal residential projects catering to a growing end-user market.

TARLAC CARVING ITS OWN MARK

In our opinion, the development of New Clark City (NCC) in Capas will likely spur business opportunities in Tarlac. The NCC is being primed as one of the major business districts north of Metro Manila.

Tarlac's property landscape should also benefit from the completion of the CLLEX. The 35.7-kilometer (22.2-mi) road project will connect Tarlac City to San Jose, Nueva Ecija. The project is scheduled to be completed in 2023.

Colliers believes that Tarlac will remain a key hub for more integrated communities north of Metro Manila. Moving forward, we see more aggressive and strategic partnerships between national developers and homegrown firms.

CAVITE: A COMPETITIVE HUB

CAVITE'S IMPROVING CONNECTIVITY TO Metro Manila as well as the aggressive launch of mixed-use communities should raise land and prop-

erty values in the province and this is likely to compel developers to launch more upscale and luxury residential units. Cavite is part of Region IV-A, one of the most progressive and dynamic regions in the Philippines. In our view, continued regional economic expansion, improving infrastructure network, and residents' rising purchasing power should help stoke the appetite for upscale and luxury condominium units in Cavite.

The completion of the LRT-1 Cavite Extension should boost residential developments in the province. Once fully operational, the LRT-1 Cavite Extension is expected to cut travel time between Baclaran and Bacoor to 25 minutes from the current 1 hour and 10 minutes. The extension will also increase LRT-1's capacity from 500,000 to 800,000 passengers daily. The first phase of the project is now 75% complete.

Residential demand should also be supported by the further expansion of industrial activities in Cavite. Industrial take-up in Cavite is heavily driven by manufacturing companies that are particularly engaged in automotive, semi-conductors and packaging. The continued development of infrastructure projects around Cavite and stable

inflow of industrial investments should raise residential land and property values in the province.

LAGUNA EYES MORE INVESTMENTS

Colliers believes that Laguna remains an attractive option among investors and end-users who plan to live and invest in less dense communities, especially given its proximity to Metro Manila.

Colliers sees the entry of national players further raising average condominium prices in Laguna. We are likely to see more developers further testing Laguna's market for more upscale and luxury projects, especially with the presence of leisure-oriented estates in the province. The growing residential demand in the region should be supported by the completion of major infrastructure projects such as the North-South Commuter Railway, NLEX-SLEX Connector Road and Cavite-Laguna Expressway (CALAX).

Industrial players continue to gravitate towards Laguna due to the presence of expansive industrial parks and the presence of integrated communities and stand-alone residential projects, including an ample supply of house-and-lots. Laguna also continues to be preferred by e-commerce and logistics firms due to its convenience and accessibility as the majority

of industrial parks in the province are located near the South Luzon Expressway.

BATANGAS: PRIMED FOR MORE PROPERTY DEVELOPERS

Batangas already benefits from improved access to Metro Manila due to existing expressways that also pass through Cavite and Laguna. Interconnectivity should be further enhanced by the completion of South Luzon Expressway Toll Road 4 (SLEX-TR4), which is likely to ease movement of people and goods within the Southern Luzon region.

The proposed Southern Luzon line of the North-South Railway Project is expected to cover Calamba in Laguna and Batangas City in Batangas. Colliers believes that these projects are likely to further fuel the revival of industrial park development in the south, particularly in Sto. Tomas, Malvar and Tanauan in Batangas.

Colliers sees the development of more leisure-oriented masterplanned communities in Batangas once these infrastructure projects become online. Developers are likely to tap into the demand by launching more house-and-lot and lot-only projects.

Joey Roi Bondoc is the research director at Colliers Philippines.

COLLIERS INSIGHTS



Pasig City Hall opens business one-stop shop at Robinsons Metro East mall

THE Pasig City government recently opened a business one-stop shop at Robinsons Metro East mall.

Located at Level 3 of Robinsons Metro East, the new Pasig City Hall Annex 2 gives residents a more accessible place for business registration, tax assessment and payment, and regulatory permit application covering Barangays Dela Paz, Manggahan, and Santolan.

The bigger city hall annex was inaugurated on July 7. The event was attended by Pasig Rep. Roman T. Romulo, Robinsons Malls Executive Vice-President and Business Unit General Manager Faraday D. Go, Pasig City Mayor Victor Ma. Regis N. Sotto, Robinsons Land Corp. President and CEO and Presidential Adviser on Investment and Economic Affairs Secretary Frederick D. Go and Pasig City Administrator Jeronimo U. Manzanero.

The super rich snaps up Tokyo's new ultra-luxury homes

THE lack of uber-luxury apartments in Tokyo, a city otherwise full of indulgent shopping choices, has long baffled foreign investors. But that's starting to change as new developments with sweeping views, swimming pools and 24-hour valets are snapped up by local and overseas buyers taking advantage of a weaker yen and low interest rates.

At The Kita, a complex designed by award-winning architect Kengo Kuma, a penthouse residence with a rooftop infinity pool was sold last week for around \$50 million, according to its Vancouver-based developer Westbank Corp. The 507 square meter (5,457 square foot) unit has a view of the lush forest surrounding the nearby Meiji Shrine.

That deal followed the start of sales for the 1,002-unit Mita Garden Hills by top developer Mitsui Fudosan Co., where one 3-bedroom unit was offered for 590 million yen (\$4.1 million) in February. The sales were widely seen as the main reason the average selling price of new apartments in the Tokyo area doubled year on year in March. Price gains have moderated since then but were still up 60% in April and 48% in May, according to the Real Estate Economic Institute.

"The market here is very much under-supplied. That's why there's strong demand," said Tetsuya Kaneko, the head of research at real estate company Savills. "Also, inbound and full reopening of the border helped."

Japan's rich, seeking privacy and assisted by private bankers, often turn to off-market deals in which properties aren't listed. With new, high-end apartments, developers tend to shroud price details in secrecy. But the eye-popping prices of big, luxury developments don't remain secrets for long.

Later this year, Mori Building Co. will finish its Azabudai Hills project near the central district of Roppongi. Of the 1,400 luxury units, 91 are Aman-branded residences. A penthouse unit in the 64-storey tower has already reportedly been sold for around 20 billion yen, the highest price ever recorded for a Japanese apartment, according to Savills.

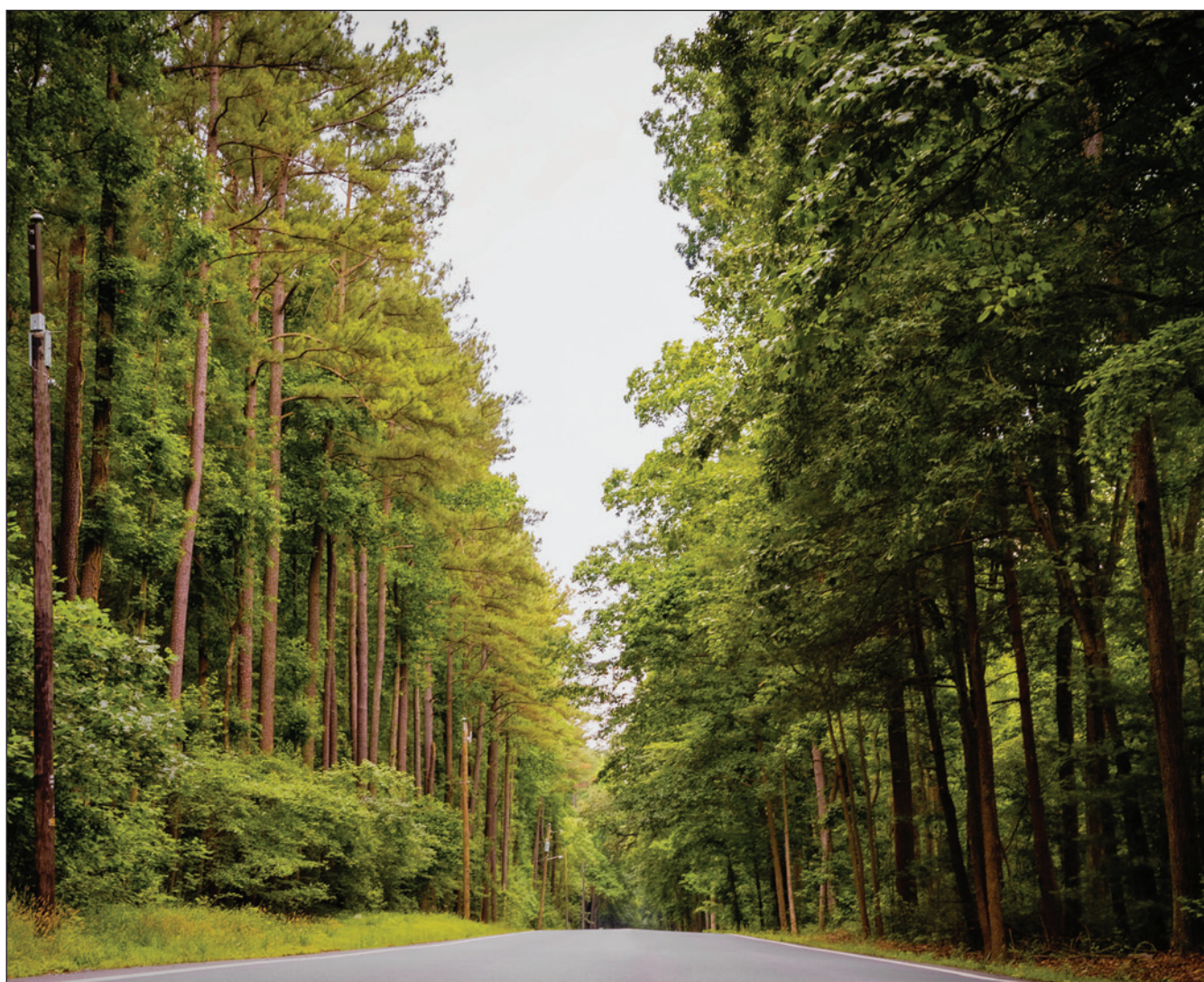
For millionaires on more modest budgets, Toranomon Hills Residential Tower, another Mori development, has a three-bedroom unit with a view of Tokyo Tower for resale at 890 million yen, according to a realtor.

Mori pioneered the development of sprawling, mixed-use developments in central Tokyo. Its Roppongi Hills project, which opened in 2003, is credited for introducing the appeal of high-rises to Japan's wealthy home buyers.

— Bloomberg

FULL STORY

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DIRECTION

We have paved a path for nature and progress to coexist.

Since we started almost **30 years ago**, caring for the environment has always been a priority for us. Creating beautiful gardens and parks and retaining as much of the natural life in and around our properties, demonstrate the kind of care we give our customers.

BATANGAS • PAMPANGA • CEBU • CAGAYAN DE ORO

This commitment to uphold the Pueblo de Oro gold standard has grown stronger through the years and has raised our self-sustainability goals.

All our efforts extend beyond Pueblo de Oro's walls because we know that we are only as good as the communities that surround us. To jumpstart a barangay livelihood scheme, we have deployed Rent-to-Own e-Trikes in Barangay Babag, in Lapu-Lapu, Cebu and have initiated Bantay-Kaagapay sustainable solid waste management community training sessions. In Pampanga, we set-up a Garbage-to-Garden and Gulayan-sa-Pamayanan program.



In addition to these, we have prioritized the empowerment of vulnerable members of communities. In Barangay Lumbia, Cagayan de Oro City, we helped fund a micro business by PWDs. We built a carinderia called "Solo-Salo sa Pueblo de Oro" which provides single parents with consistent income and distributed Food Cart Kabuhayan Packages in collaboration with Odessey Foundation, Inc. and the DOST-Calabarzon for women in Malvar, Batangas.

We also subsidized the Botika-ng-Barangay in Cagayan de Oro, cosmetology training in Cabuyao and Calamba, Laguna and livelihood training for kasambahays in our very own Townships nationwide.

Being part of the ICCP group, we have learned to look beyond ourselves. We have grown to think and act for the welfare of everyone.



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