DMCI Homes unveils beach park condotel complex in San Juan

DMCI Homes recently unveiled its latest project — a beach park condotel complex in San Juan, Batangas.

Solmera Coast is a tropical Asian-inspired beach park condotel which offers an "opportunity for a rewarding investment as well as a haven for leisure and pleasure," DMCI Homes Leisure Residences said in a statement.

Matahari tower, the first of five mid-rise buildings, is expected to be ready for occupancy by February 2027. The Kartika and Bumi towers will be ready for occupancy by May and August 2027, respectively.

At Solmera Coast, unit cuts range from 34 to 91.5 square meters for studio, one-bedroom, and two-bedroom units.

Units are furnished with fixtures for beds, bathrooms, and even a split-type air conditioning unit upon turnover.

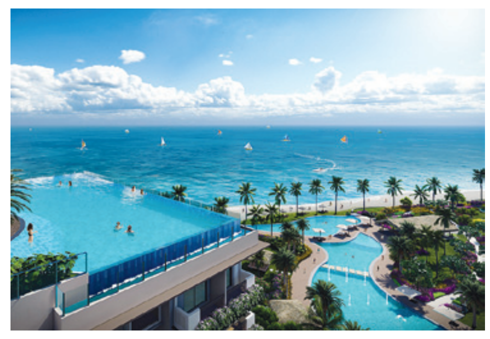
Solmera Coast is not just resort-themed but is an actual beach park with residential condominium buildings just a few meters away from the shoreline.

The 7.5-hectare beach park features expansive open spaces for residents looking to relax, and event spaces for big gatherings.

Solmera Coast spans Barangays Subukin and Calubcub II in San Juan which is a preferred beach destination for tourists.

Solmera Coast will feature five swimming pools, a game area, a gym, two restaurants, and a convention center.

DMCI Homes Leisure Residences, a new brand under DMCI Homes, focuses on resort living in vacation destinations all over the country.



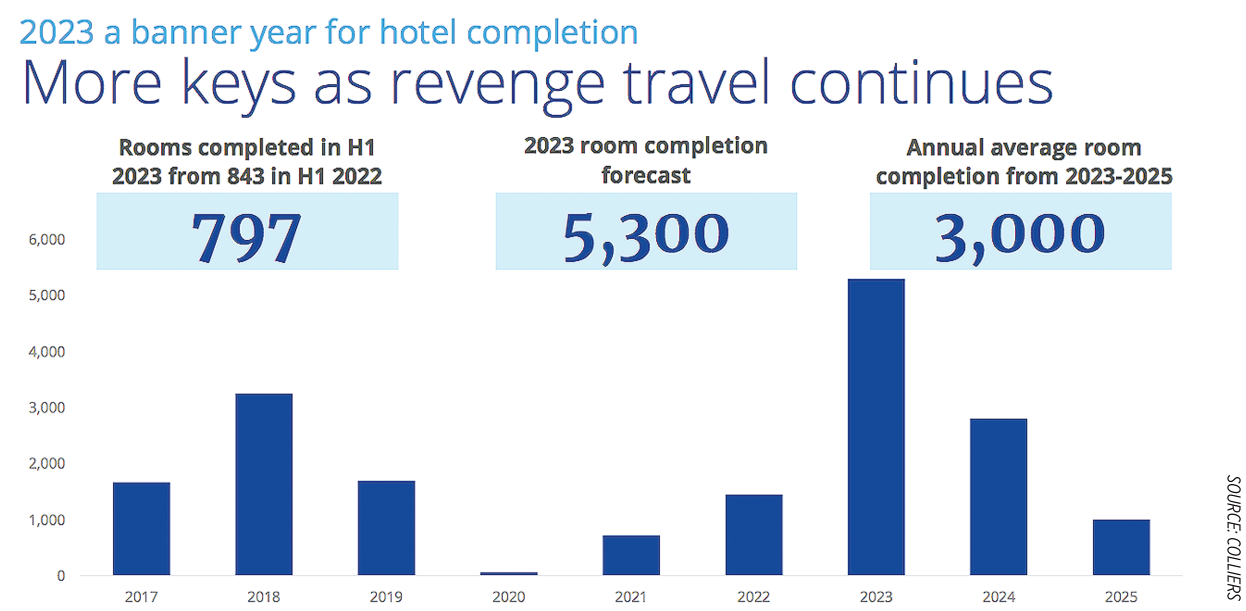
COMPANY HANDOUT

SOLMERA COAST is a project of DMCI Homes Leisure Residences.

Reinforcing tailwinds: Cashing in on PHL hotel sector's recovery

By Joey Roi Bondoc *and* **Alfonso Martin Aguila**

COLLIERS INSIGHTS



REVENGE spending, dining, and travel continue to lift the country's tourism sector. The segment is a key job-generating sector and post-pandemic gains should help restore the sector's contribution to the country's national economic output.

Undeniably, more needs to be done to improve the sector's competitiveness and ensure that the Philippines will stand out globally not just with its beaches but also with its quality infrastructure backbone. After all, we won't be able to attract millions of tourists if we do not have airports capable of welcoming foreign visitors and an efficient road network that will allow local tourists to go around the country.

The return to normalcy has been a positive for the Philippine leisure sector. More face-to-face events across the country should boost the meetings, incentives, conferences, and exhibitions (MICE) segment. Developers are lining up major projects across the archipelago and these include foreign and homegrown brands, as they anticipate demand from business and leisure travelers. The recalibration of the Department of Tourism's (DoT) strategy, including its branding, should entice more international travelers to visit the Philippines and raise tourism's contribution to the economy.

Colliers projects the completion of a record-high 5,300 new hotel rooms in 2023. This is a positive development for the Philippine tourism sector, especially now that the sector is rebounding. With the continued rise in international and domestic tourists as well as return of more in-person events, hotel developers are now lining up expansion plans for the near to medium term. Colliers sees more foreign brands opening while Filipino homegrown brands are also expanding.

Among the new hotels that will be completed include: Lansons Place Manila, Grand Westside Hotel, Red Planet Hotel The Fort, Hotel 101 The Fort and Ibis Styles Hotel. We project that more than a third (35%) of the new hotels that will open for the remainder of the year will be foreign brands. From 2023 to 2025, we estimate the completion of 3,000 new hotel rooms every year.

BREACHING THE DOT'S TARGET

The reinvigorated hotel sector remains one of the most vibrant property segments in the country. Foreign arrivals are likely to breach the Tourism department's target for 2023 while the domestic market continues to lift occupancies and daily rates.

The return of business travelers and in-person corporate events have also been propping up the demand for MICE facilities.

MORE MICE FACILITIES

People are now more willing to attend face-to-face meetings.

Corporations, business groups, and even families have been holding in-person events, especially after the government relaxed restrictions on face-to-face meetings and dropped mask mandates.

In our view, these should be complemented by global sporting events that the Philippines will be hosting.

Colliers believes that hotel developers and operators should assess the future demand for MICE facilities given the segment's potential for a strong rebound. This should also be aligned with the government's thrust of modernizing existing and building new airports across the country.

The Tourism department is also priming the Philippines as a major MICE destination, and this should enable the country to corner major global MICE events and further boost tourist arrivals and spending across the archipelago.

HOMEGROWN, FOREIGN BRANDS

Colliers believes that developers need to strategically plan their expansion, especially now that the sector is gradually recovering. In fulfilling expansion plans, developers should carefully assess whether to launch or expand their own homegrown brands or partner with foreign hotel operators.

Colliers data show that about 42% of new hotels that will open in Metro Manila this year through 2024 are foreign brands. While we see more Metro Manila openings in the pipeline, Colliers believes that there are also opportunities to build more accommodation facilities in key destinations including Pampanga, Cebu, Bohol, Davao, Palawan and Bacolod.

Aside from the traditional growth areas, developers should also build hotels near major convention centers and newly modernized and expanded airports.

HOTEL OCCUPANCY TO REACH 65%

Data from the Philippine Statistics Authority showed that the share of the tourism industry to the country's economy reached 6.2% in 2022, up from 5.2% in 2021. However, this is lower than the record-high 12.8% share in 2019.

Domestic tourism expenditure grew by 92.3% in 2022 to P1.5 trillion ($26.7 billion) from only P782.6 billion ($14 billion) in 2021. Meanwhile, employment in tourism-related industries rose by 9.3% in 2022 to 5.35 million jobs from 4.9 million in 2021.

In the first half of 2023, average hotel occupancies in Metro Manila reached 61%, higher than the 55% recorded in the second half of 2022. Colliers attributes the increase in occupancy to the continued rise in foreign tourists, return of in-person events and sustained demand from the local staycation market.

By the end of 2023, Colliers projects average occupancy in the capital region to reach 65%, partly driven by holiday spending as well as year-end MICE activities. Metro Manila occupancy is now near pre-coronavirus disease 2019 (COVID-19) level. In 2019, average occupancy peaked at 70%, before plummeting to 20% in 2020 due to COVID-19 disruptions arising from mobility restrictions. Note that the occupancy in 2019 was achieved on the back of record-high foreign visitors, which reached 8.26 million.

MORE REASONS TO LOVE PHL

There's no doubt that the Philippines has a lot to offer to domestic and foreign travelers. Our beaches are recognized globally and Filipinos are known for their warm and genuine brand of hospitality. But these shouldn't be trumped by dilapidated airports and unpaved roads.

Our global travel and tourism competitiveness needs to improve if we want to bag a greater slice of the global tourism pie and attract more long-haul and high-spending tourists.

The country is finally recovering from the pandemic, and we see tourism stakeholders — from hotel developers/operators to retailers of souvenir items — benefiting from this rebound.

Joey Roi Bondoc is the research director for Colliers Philippines, while Alfonso Martin Aguila is the senior research analyst for Colliers Philippines.

Delay in release of licenses may lead to rise in 'colorum' sales agents

INDUSTRY groups are seeking the faster release of licenses for aspiring real estate salespersons to increase efficiency in the sector.

Accredited Real Estate Salespersons (ACRES) National President Chris Malazarte said in a statement that there is a need for faster release of licenses to avoid so-called "colorum" sales agents.

"There must be a way to make the experience more encouraging for aspiring registered salespersons. This will lessen the evil we've been wanting to avoid — 'colorum' sales agents," Mr. Malazarte said.

Anthony Gerard O. Leuterio, A Better Real Estate Philippines founder, said the licenses of real estate salespersons take three to four months, with some instances reaching as long as eight months.

The oath-taking of real estate salespersons has been limited to 100 individuals weekly despite being done online, he added.

"Delaying such would result in the rise of 'colorum' or unlicensed salespersons. Selling can't wait. If somebody wants to buy from you, you can't ask them to wait for your license," Mr. Leuterio said.

"We just want things to be efficient because we are promoting nation-building. We are talking about thousands of salespersons wanting to help the real estate industry flourish. And more importantly, if we are delaying the process, it will create more 'colorum' practitioners," he added.

Before being allowed to sell real estate properties, salespersons need to secure licenses from the Department of Human Settlements and Urban Development (DHSUD) and the Professional Regulatory Commission.

According to the ACRES, about 80% of sales are closed by a real estate salesperson.

Meanwhile, Mr. Malazarte said the registration experience of salespersons under current government policies have not been "simplistic."

"The policies provided for by Republic Act 9646 or the Real Estate Service Act and Housing and Land Use Regulatory Board (HLURB) Board Resolution 922-14 are simple, but the experiences of the salespersons during registration are not simplistic," Mr. Malazarte said.

"We understand that there is a need for the DHSUD to regulate the real estate practice, and our organization appreciates the efforts of the department to improve its policies by making it more responsive to the climate of the industry today," he added.

A Better Real Estate Philippines is an advocacy coalition and the mother organization of ACRES. The ACRES and other real estate groups had a consultation meeting with the DHSUD on Aug. 24 regarding the agency's policies on business firms, brokers, and salespersons.

ACRES is an organization of accredited real estate salespersons. It currently has around 3,000 members. — **Revin Mikhael D. Ochave**

Debt,

from S1/1

Broken down, interest payments on domestic debt consisted of P108.366 billion for fixed-rate Treasury bonds, P74.731 billion for retail Treasury bonds, and P6.709 billion for Treasury bills.

Meanwhile, interest paid on foreign debt jumped by 73.8% to P89.574 billion in the first semester from P51.528 billion a year ago.

JUNE DEBT SERVICE BILL

In June alone, the debt service bill doubled to P88.4 billion from P44.29 billion in the same month in 2022.

Month on month, debt payments surged by 80.2% from P49.05 billion in May.

More than half (59.8%) of the total debt servicing during the month went to interest payments.

Interest payments in June rose by 43.9% to P52.88 billion from P36.75 billion in the same month in 2022.

Interest paid to domestic creditors rose by 20.9% to P40.28 billion. This consisted of P25.62 billion in retail Treasury bonds, P11.412 billion in fixed-rate Treasury bonds, and P1.55 billion in Treasury bills.

Interest paid to external creditors surged by an annual 268.2% to P12.604 billion in June.

Meanwhile, amortization payments skyrocketed (371.4%) to P35.517 billion in June from P7.534 billion in the same month in 2022.

Domestic debt payments ballooned to P27.981 billion in June, while amortization on foreign obligations inched up by 5% to P7.536 billion.

Rizal Commercial Banking Corp. Chief Economist Michael L. Ricafort in a Viber message said that the higher debt service bill was partly due to elevated inflation, which drove up government expenditures.

Headline inflation eased to 5.4% in June from 6.1% in May, still well above the central bank's 2-4% target range.

For the first half, inflation averaged 7.2%.

The Bangko Sentral ng Pilipinas (BSP) expects inflation to average 5.6% this year.

Mr. Ricafort also noted there was an increase in borrowing costs due to rising interest rates.

The BSP has raised interest rates by 425 basis points (bps) from May 2022 to March 2023, bringing the key rate to 6.25%, a near 16-year high.

"Higher debt servicing is also a function of more maturities of government securities earlier this year," Mr. Ricafort added.

The government's debt service program this year is set at P1.552 trillion. This is composed of P914.353 billion in amortization payments and P610.665 billion in interest payments.

Next year, the government set its debt servicing program at P1.91 trillion. Broken down, this consists of P670.471 billion for interest payments and P1.24 trillion for principal amortization. — **Luisa Maria Jacinta C. Jocson**

Cryptocurrency,

from S1/1

"The BSP tightened its licensing mechanism and imposed a three-year moratorium on new VASP license applications starting Sept. 1, 2022. Correspondingly, the BSP likewise strengthened its supervisory activities on existing BSP-registered VASPs to consider their overall performance, risk management systems, and their impact to financial services and the financial system as a whole," she said.

VASPs refer to entities that offer services or engage in activities that provide facility for the transfer or exchange of virtual assets — any type of digital unit that can be digitally traded or transferred and can be used for payment or investment purposes.

The BSP classifies cryptocurrencies as a type of virtual asset.

CRYPTO ADOPTION

Swarup Gupta, industry manager of the Economist Intelligence Unit, said the adoption of cryptocurrency has been led by emerging markets with usage picking up in the Philippines, Vietnam, India, Pakistan, Brazil and Thailand.

"Unfortunately, the use of cryptocurrency for illegal activities has also increased over the last two years," he said in an e-mail.

"Total cryptocurrency received by illicit addresses (in value terms) was estimated at around $20 billion in 2022. The majority of this, around 40%, was used to circumvent (primarily US) sanctions with stolen funds and scams also accounting for a substantial amount of illegal activity."

Mr. Gupta said this has prompted some countries to tighten AML/CFT regulations, particularly New Zealand and Singapore.

In the US Congress, a bill was recently refiled to strengthen AML/CFT regulations for the digital asset industry, which includes the implementation of customer verification.

Mr. Gupta said governments should ensure that regulations applicable to conventional financial entities are also applicable to issuers of digital assets such as cryptocurrencies.

"This can only be ensured by a clear and unambiguous set of guidelines for crypto assets, which have been held back by the authorities as of now," he said.

Mr. Gupta said the increased use of cryptocurrency for illegal activities is "worrying" in the absence of globally applicable regulations and sanctions.

The Anti-Money Laundering Council (AMLC) said they periodically review and revisit the implementing rules of the Anti-Money Laundering Act (AMLA) to ensure adherence to international standards.

"The acceleration of digital transformation as well as the COVID-19 (coronavirus disease 2019) pandemic led to the increase in digital vulnerabilities and physical movement restrictions that translated to the proliferation of cybercrimes globally, which does not exempt the Philippines," the AMLC said.

"Authorities need to be vigilant given the lack of effective market surveillance in the absence of a clear governance framework," he said. — **K.B.Ta-asan**