

# Overcoming headwinds, maximizing tailwinds (part 2)

By Joey Roi Bondoc

*This is the second of a two-part article. The first part was published on Oct. 17 <https://www.bworldonline.com/property/2023/10/17/551787/overcoming-headwinds-maximizing-tailwinds/>.*

## CAPTURING RISING DEMAND FROM EXPATS

Colliers believes that the leasing market has gradually picked up in 2022. We attribute this to the easing of restrictions of coronavirus disease 2019 (COVID-19) protocols.

In our view, the expatriates are now more inclined to return to the Philippines. Colliers has seen Fort Bonifacio as one of the most preferred locations among expats due to the presence of schools as well as retail and leisure establishments. Other popular options include Makati CBD and Rockwell.

We have been getting more queries from large business process

outsourcing (BPO) firms, manufacturing firms, and even multilateral lending agencies that are planning to welcome more expatriates.

In our view, the upkeep of residential units should remain topnotch if investors want to attract renters, including discerning expats. Providing high-end appliances is definitely a plus.

## OFFERING ATTRACTIVE LEASING, PRICING SCHEMES

Vacancy in the secondary residential market continues to hover above 17%. With the substantial inventory in the secondary market, developers should remain active in offering attractive leasing and early move-in promos for ready-for-occupancy (RFO) projects.

A couple of developers are even allowing buyers to move-in with a downpayment as low as 5%, and discounts as much as 20% on Total Contract Prices (TCPs) for spot cash buyers.

Attractive RFO schemes should be implemented espe-

cially in business districts where there will be substantial completion from 2023 to 2025, including the Bay Area.

## RECOVERY ON THE HORIZON

Colliers Philippines believes that property developers should be guided by the interest rate environment and future modifications should have an impact on the promos and payment schemes that they will implement for the remainder of the year.

Given the compelling yields in the market, property firms should also continue highlighting the capital appreciation potential of condominium units, especially those located in masterplanned communities. Developers should zero in on the residential units' viability as a hedge against inflation.

In our view, 2024 will likely remain to be a precarious period for the secondary market with the completion of a significant number of new condo-

minium units, especially in the Bay Area.

Colliers is optimistic that vacancy will improve towards end-2023, but vacancy will likely spike again due to completion of additional units. We are retaining our forecast of marginal rise in rents and prices annually from 2023 to 2025.

With substantial completion in the market, we expect developers to remain cautiously optimistic with their launches. Attractive payment packages and leasing schemes are likely to continue.

The Philippines' property segments are starting to rebound. At Colliers, we always say that while some are recovering at a much faster pace than others, there's no doubt that developers, investors, and end-users are starting to reap the fruits of a real estate market that is finally seeing light at the end of the proverbial tunnel.

JOEY ROI BONDOC is the research director for Colliers Philippines.



JG SUMMIT President and CEO Lance Y. Gokongwei (left) inspects the rooftop farm at the Robinsons Cyberscape Alpha in this photo taken Oct. 10.

## Robinsons Offices teams up with FarmTop to set up 'sky farms' in buildings

ROBINSONS Offices and FarmTop have partnered to develop "sky farms" in the former's office buildings around the Philippines.

FarmTop (Farm-to-Plate) promotes urban agriculture by developing "sky farms" on building rooftops, as way to address the growing demand for fresh produce delivered straight to your doorstep.

"Under the Farm-to-Plate concept, fresh vegetables are produced much closer to where they are consumed, typically within a five-kilometer radius. This minimizes the carbon footprint that traditional farm-to-market routes would typically entail," the company said.

Danny Dy, president and chief executive officer of FarmTop, said each rooftop farm can produce as much as five tons of vegetables a month. This can serve customers in condominiums, offices, schools, hotels, and restaurants within its vicinity.

"By tying up with FarmTop, we are able to offer alternative means to healthy eating. We can provide the space, expand the market, and create jobs for urban farmers," Jericho P. Go, Robinsons Offices senior vice-

president and general manager, said in a statement.

Mr. Dy said they want to raise awareness of rooftop farming or controlled environment agriculture as a technology-based method of producing food. "The goal is to control all our farm environment through my smartphone. We want to make farming more sexy," he said.

Mr. Dy said FarmTop specializes in building farms on roof decks. "The travel of the greens to the consumer is shorter. It's cost-efficient and it's fresher," he said.

By reducing the journey from farm to plate, he noted the rooftop farms play a crucial role in decreasing the reliance on fossil fuels. FarmTop is also exploring environmentally-friendly delivery options, like bicycles, side cars, or electric vehicles.

Robinsons Land has consistently supported the causes of Rise Against Hunger, an international hunger relief organization that distributes food and aid to the world's most vulnerable.

FarmTop will formalize its commitment to Rise Against Hunger through the "Bawat Buto Buhay" program, which will be launched this year.

## Businesses must pave the way to a sustainable urban future for all

By Bent Jensen

AS URBANIZATION sweeps across the globe, cities are at the forefront of our future, offering opportunities for businesses and people to thrive. Yet, they also grapple with climate change and growing inequality.

The ASEAN region bears significant responsibility to mitigate these challenges, especially as almost 56% of its population is projected to reside in cities by 2030.

In the Philippines, where more than half of its 109 million population live in urban areas, rapid urbanization exacerbates not only climate hazards, but also risks like straining resources for basic services.

As we celebrate World Cities Day (Oct. 31) under the theme of "Financing sustainable urban future for all," we must recognize how businesses can lead the green urban transition through innovative financing, insightful knowledge and expertise, and wider social responsibility.

### NEW WAYS OF FINANCING

The development and maintenance of critical urban infrastructure and services demand substantial investment. Meanwhile, new technologies that can accelerate the sustainability of these systems might be unaffordable, or seen as an expense rather than an investment.

The World Bank estimates that more than \$4.5 trillion per year is needed to fund climate-resilient urban infrastructure, yet climate finance flows for cities are only approximately \$384 billion annually. Businesses are ideally positioned to bridge this gap through innovative financing.

For instance, public-private partnerships (PPPs) enable partners to share risks, resources and decisions in implementing projects. In the Philippines, PPPs such as Laguna Water have improved the provision of water and wastewater in Laguna's cities, and supported community development, health and safety as well as environmental protection programs.

New business models can also encourage the adoption of new technology, where solutions providers can help reduce investments risks associated with sustainable projects, offer flexible payment plans, or incorporate efficiency savings achieved by customers into payment

schemes. Moreover, strategic partnerships can support businesses facing budget constraints.

### KNOWLEDGE-SHARING

Beyond financing, businesses can provide critical insights for urban sustainability across various industries.

By sharing their best practices and collaborating with governments, research institutions, fellow industry players, and communities, businesses can drive and co-develop innovative urban solutions that ultimately further industries' green transition.

Such partnerships can also help businesses better understand the complexity of the green transition. Recognizing the advantages of this approach, Grundfos has formed partnerships with Singapore Polytechnic and Ngee Ann Polytechnic. The latter specifically targets advancing sustainability in the regional built environment.

### STRONGER COMMUNITIES

Finally, businesses can be forces for good by contributing to the social fabric and overall resilience of cities.

Some tech giants, for example, have committed to using 100% renewable electricity. Their efforts have influenced their peers, led to positive changes in energy policies and increased renewable energy adoption.

Businesses can also uplift the livelihoods of community members including marginalized groups such as women. For instance, inclusive and fair hiring practices and workplace cultures can better support local jobseekers and employees. Meanwhile, integrating sustainability and social impact considerations into wider supply chain decisions further extends the positive impact of businesses on local communities.

Businesses are catalysts for sustainable urban transformation with the power to shape the future of our cities. However, the work is far from over. Scaling a multi-pronged approach is crucial to ensure that our cities lead the way toward a more inclusive and sustainable urban future for all.

*Bent Jensen is the chief executive officer for commercial building services at Grundfos. Grundfos is a leader in advanced pump solutions and trendsetter in water technologies.*

## Shang Properties to expand in Quezon City, Cebu

SHANG PROPERTIES, Inc. is planning to launch new projects in Quezon City and Cebu, as the high-end property developer unveiled its new brand identity.

"The luxury real estate market continues to change and evolve and we strive to be at the forefront of change... We want to redefine luxury and set new standards," Wolfgang Kreuger, executive director at Shang Properties, said during the company's launch event.

Mr. Kreuger said the new logo and branding "marks the beginning of a new era of sophistication."

Shang Properties' new logo features a more streamlined look, which the company says reflects its design philosophy "uncompromising vision, elegance, and harmony in all details."

It retained the crane in its logo "to show the company's lasting commitment to creating inspired spaces that are thoughtful and meticulously designed with harmony in mind."

"This signifies us formally ushering in a new era of our brand — one that takes our mastery of creating extraordinary moments to even greater heights," Jayme T. Uy, marketing director at Shang

Properties, said in an e-mail interview with *BusinessWorld*.

"Even after over three decades since entering the real estate property market, Shang Properties continues to pay the finest attention to all the details," she added.

The property developer is planning to launch two new residential high-rise projects in Quezon City and Cebu. The Quezon City residential project is located along Scout Bayoran and Sgt. Esguerra.

"As of to date, we are still in the project planning phase for our Cebu project," Rose O. Morales,

senior director for group sales at Shang Properties, said.

Last month, Shang Properties launched its latest residential development project Laya in near Ortigas Center in Pasig City. Laya offers 1,283 residential units, ranging from studio to three-bedroom units.

Shang Properties is an affiliate of Shangri-La Hotels and Resorts worldwide, and Hong Kong property investment firm Kerry Properties Limited. Its projects in the Philippines include Shangri-La Plaza, The Shang Grand Tower, Shangri-La at the Fort, and The Rise Makati. — **Miguel Hanz L. Antivola**

## Alsons Dev recognized for exemplary housing and mixed-use projects in Davao

Alsons Dev continues to live up to its name of being Davao's premier property developer after its first township project and two residential developments secured accolades that showcase the company's commitment to building exceptional communities. With Northtown, Northtown Residences, and Narra Park Residences Davao winning awards from the country's leading real estate marketplaces, it was indeed a momentous occasion after another for the real estate developer.

Last Sept. 21, The Outlook 2023: Philippine Real Estate Awards by Lamudi bestowed the titles of Highly Commended for Best Affordable House and Best Mixed-Use Development in Visayas and Mindanao for Narra Park Residences and Northtown, respectively. The Outlook by Lamudi, inaugurated in 2017, assembles the most renowned professionals in local real estate, celebrating excellence through meticulous judging and the input of 10,000 active property seekers annually.

The following day, the 11<sup>th</sup> PropertyGuru Philippines Property Awards 2023 recognized Alsons Dev with the esteemed award for Best Housing Development in Metro Davao for Narra Park Residences, and Highly Commended title for Best Sub Division Development for Northtown Residences. PropertyGuru Philippines' Property Awards, a milestone event in the real estate industry since its inception in 2005, gathers key decision-makers and celebrates the most outstanding projects and developers across Asia.

These four accolades underscore Alsons Dev's enduring commitment to providing Mindanaoans with thriving communities and quality living. Their projects have garnered recognition on a national and



From L-R: Jolla A. Soriaga, Alsons Dev assistant general manager for Business Units Group; Eric D. de la Costa, Alsons Dev vice-president and general manager; Jessa Mae D. Sisi, Alsons Dev sales manager; and Richard Raymundo, Colliers Philippines managing director, on stage receiving the award for Best Housing Development (Metro Davao) for Narra Park Residences at the 11<sup>th</sup> PropertyGuru Philippines Property Awards 2023

regional scale, attesting to their exceptional quality and positioning Alsons Dev as a standout force in the local real estate landscape.

"We want to lead the region's progress by developing places that Mindanaoans can call home. More than just building houses, we want to build secure, nurturing environments where everyone is cared for and is allowed to pursue their passions and dreams," said Miguel Dominguez, Director, Alsons Dev.

Narra Park Residences, a project under Alsons Dev's Nurtura Land and Home brand, is a community of expertly constructed, high-quality homes inspired by modern Asian design. With its expansive parks, the development fosters a place where families can thrive in a lush and healthy environment with an array of leisure amenities and 24/7 security.

Northtown, a project under Alsons Properties, redefines suburban living by integrating the charm of the countryside with the conveniences and vitality of the city in one master-planned township development. It has Northtown Residences, which offers open lots in a prime residential community, and Northtown Center, which features a balanced mix of retail, commercial, residential, and institutional components.

For over six decades, Alsons Dev has shaped the Davao Region's landscape, developing over 600 hectares of land and leaving a mark on the region's growth. As one of the most trusted names in the real estate industry, its legacy continues, with plans to expand its operations beyond Davao and serve even more Mindanaoans in the years ahead.