

**Philippine Stock Exchange index (PSEi)**

6,219.16 ▼ 49.11 PTS. ▼ 0.78%

THURSDAY, OCTOBER 19, 2023  
**BusinessWorld**

**PSEI MEMBER STOCKS**

<b>AC</b> Ayala Corp. P610.50 -P9.50 -1.53%	<b>ACEN</b> ACEN Corp. P5.08 -P0.11 -2.12%	<b>AEV</b> Aboitiz Equity Ventures, Inc. P49.10 -P0.40 -0.81%	<b>AGI</b> Alliance Global Group, Inc. P11.66 -P0.14 -1.19%	<b>ALI</b> Ayala Land, Inc. P29.50 -P0.25 -0.84%	<b>BDO</b> BDO Unibank, Inc. P131.30 -P3.10 -2.31%	<b>BLOOM</b> Blossberry Resorts Corp. P9.99 -P0.03 -0.3%	<b>BPI</b> Bank of the Philippine Islands P106.80 -P0.70 -0.65%	<b>CNPF</b> Century Pacific Food, Inc. P29.95 -P0.05 -0.17%	<b>CNVRG</b> Converge ICT Solutions, Inc. P9.60 -P0.38 -3.81%
<b>DMC</b> DMCI Holdings, Inc. P10.28 -P0.02 -0.19%	<b>EMI</b> Emperador, Inc. P20.80 +P0.05 +0.24%	<b>GLO</b> Globe Telecom, Inc. P1,814.00 +P15.00 +0.83%	<b>GTCAP</b> GT Capital Holdings, Inc. P558.00 -P6.00 -1.06%	<b>ICT</b> International Container Terminal Services, Inc. P210.00 -P4.20 -1.96%	<b>JFC</b> Jollibee Foods Corp. P220.80 -P3.20 -1.43%	<b>JGS</b> JG Summit Holdings, Inc. P38.05 -P0.35 -0.91%	<b>LTG</b> LT Group, Inc. P8.81 -P0.18 -2%	<b>MBT</b> Metropolitan Bank & Trust Co. P52.55 -P1.40 -2.59%	<b>MER</b> Manila Electric Co. P375.60 -P13.00 -3.35%
<b>MONDE</b> Monde Nissin Corp. P8.70 -P0.10 -1.14%	<b>NIKL</b> Nickel Asia Corp. P5.70 -P0.03 -0.52%	<b>PGOLD</b> Puregold Price Club, Inc. P29.25 -P0.20 -0.68%	<b>SCC</b> Semirara Mining and Power Corp. P35.10 -P0.05 -0.14%	<b>SM</b> SM Investments Corp. P820.00 +P7.50 +0.92%	<b>SMC</b> San Miguel Corp. P104.00 +P1.00 +0.97%	<b>SMPH</b> SM Prime Holdings, Inc. P31.40 +P0.20 +0.64%	<b>TEL</b> PLDT Inc. P1,206.00 -P20.00 -1.63%	<b>URC</b> Universal Robina Corp. P113.70 +P0.70 +0.62%	<b>WLCON</b> Wilcon Depot, Inc. P22.00 -P0.40 -1.79%

# Steady property market growth seen outside NCR

**By Revin Mikhael D. Ochave**  
Reporter

REAL ESTATE brokerage and consultancy firm KMC Savills is expecting continuous growth for property markets outside Metro Manila amid the expansion of the information technology and business process management (IT-BPM) sector in the countryside.

KMC Savills Managing Director Michael McCullough said during a virtual briefing on Thursday that the company foresees the sustained expansion of IT-BPM companies outside the National Capital Region (NCR).

Metro Cebu, Metro Clark, Davao, Iloilo, and Bacolod are the areas included in the firm's report on the future of Philippine regional cities.

"One of the things that we are so excited about is that the

provincial areas did better than Metro Manila. There's been more activity happening outside Metro Manila. It's all been to the provinces. Companies want to go where the best employees are," Mr. McCullough said.

"A lot of people during the pandemic returned to the provinces. That's where the companies want to move back to. There's been available decent quality (office stock), IT-grade, and companies have taken advantage of the lower rates to set up offices where their employees are located. This reduces attrition and lowers costs. We expect this to continue," he added.

Aside from IT-BPM firms, other industries that are expanding their office space in provinces include providers in the flexible office, e-commerce, and logistics sectors.

"Flexible office providers are expanding slowly but surely in

these regional provinces because they do know that there is demand for them to expand there," said KMC Savills Chief Operating Officer Cha Carbonell.

"E-commerce and logistics providers who need satellite offices in those areas are also expanding in the regional areas. The demand [for] office space is still predominantly occupied by the IT-BPM sector," she said, adding that other types of industries help in the absorption of office space in regional cities.

The report showed that the Metro Cebu property market is expected to withstand any supply pressure as the IT-BPM sector increases its presence.

Metro Cebu logged a 20.9% vacancy rate in the first half of the year and 1.25 million square meters (sq.m.) of current office stock.

"Due to the recovery in demand, Cebu's vacancy rate

is forecasted to return to pre-pandemic levels by 2025," KMC Savills Executive Director John Corpus said.

For Iloilo City, KMC Savills said the overall vacancy rate improved to 8.1% in the first semester after the completion of Cybergate Iloilo Tower 2 in Pavia. The city currently has 209,700 sq.m. of office stock.

"Grade B stock saw a massive drop in its vacancy rate to 13.1% from 22.7% at the end of 2022. The report is optimistic that vacancy rates should remain in single digits despite another 22,500 sq.m. of new office space in second half of 2023," KMC Savills said.

The report said that Bacolod logged a 13.5% vacancy rate in the first half amid struggling demand, which is projected to improve in the coming quarters. The area has 187,128 sq.m. of current office stock.

"Leasing activity may improve in the coming quarters as demand is expected to spill over from neighboring Iloilo. Conditions are expected to be static in the next term, but leasing activity has picked up in recent months," KMC Savills said.

For Davao, KMC Savills said the overall vacancy rate fell to 6.4% in the first half from 12.1% at the end of last year. The area has 231,384 sq.m. of current office stock.

"Davao remains one of the most affordable markets in the country amidst the influx of demand from outsourcing firms. Unlike the other office markets in VisMin, Davao still lacks a sizeable cluster of townships that can command above-average rates," KMC Savills said.

"However, KMC Savills forecasts that the current demand trend may be an opportunity for developers to rethink their strategy in the region," it added.

Meanwhile, the report said that Metro Clark has logged a 33.6% vacancy rate in the first half. The area has 432,058 sq.m. of current office stock.

"Office buildings outside of Clark Freeport Zone have performed better with their vacancy rate averaging 25.3% in the same period. Although the overall vacancy rate is higher than some submarkets in Metro Manila, leasing activity in Metro Clark has been healthier in the capital — albeit at specific locations only," KMC Savills said.

"Overall, KMC Savills reports that the total office stock in Iloilo, Bacolod, and Davao are not as sizeable as Metro Cebu or Metro Clark, however, the increased demand for these markets should trigger developers to construct new Grade A office buildings or introduce new business districts," it added.

## SEC clears fundraising of San Miguel, Vista Land

THE Securities and Exchange Commission (SEC) has approved the planned offerings of Ang-led conglomerate San Miguel Corp. (SMC) and Villar-led property developer Vista Land and Lifescapes, Inc. (VLL).

During an en banc meeting on Oct. 17, the SEC resolved to render effective the registration statements of SMC and VLL to raise as much as P65 billion and P35 billion, respectively.

The separate offerings will be done in tranches within three years.

"SMC and VLL completed their registration processes within 33 and 32 days, respectively, in line with the SEC's commitment to a speedy and efficient registration process," the corporate regulator said in a statement on Thursday.

According to the commission, SMC's registration statement covers 866.67 million of its Series 2 preferred shares.

For the initial tranche, San Miguel will offer 400 million preferred shares at P75 each totaling P30 billion, with an option to oversubscribe up to 266.67 million preferred shares worth more than P20 billion.

The conglomerate expects to generate as much as P49.62 billion from the initial tranche if the oversubscription option is fully exercised. The preferred shares would be listed and traded on the main board of the Philippine Stock Exchange.

"The company intends to use a portion of the net proceeds to repay Philippine peso-dominated short-term loan facilities and

previously issued bonds, and to invest in airport and airport-related projects," the SEC said.

SMC engaged Bank of Commerce, BDO Capital & Investment Corp., and China Bank Capital Corp. as joint issue managers for the offer.

The three firms were also tapped as joint lead underwriters and bookrunners alongside Asia United Bank Corp., BPI Capital Corp., Land Bank of the Philippines, Philippine Commercial Capital, Inc., PNB Capital and Investment Corp., RCBC Capital Corp., SB Capital Investment Corp., and Union Bank of the Philippines.

Meanwhile, VLL will initially offer fixed-rate bonds worth P6 billion, with an oversubscription option of up to P4 billion, consisting of Series F bonds due in

2026 and Series G bonds due in 2028. The offering is part of the company's shelf registration of its debt securities program with a principal amount of P35 billion.

VLL expects to raise more than P9.83 billion if the oversubscription option is fully exercised.

"It intends to primarily use the net proceeds to refinance maturing obligations and for general corporate purposes," the SEC said.

The bonds will be listed and traded at the Philippine Dealing & Exchange Corp.

VLL engaged China Bank Capital, SB Capital, and Union Bank as joint lead underwriters and bookrunners, with China Banking Corp. Trust and Asset Management Group being identified as trustees. — **Revin Mikhael D. Ochave**

## MORE Power boosts Iloilo City's economic growth — UA&P study

THE growth in MORE Electric and Power Corp.'s (MORE Power) customer base has contributed an average of P4.99 billion annually to Iloilo City's economy, as assessed by the University of Asia and the Pacific (UA&P).

"On average, what is injected in the economy of Iloilo is close to P5 billion or almost 4% of the economy of the city of Iloilo. That's quite significant," UA&P President Winston Conrad B. Padojinog said, citing his study during a business summit in Iloilo City on Thursday.

He highlighted the substantial impact of MORE Power's strategic investments and operational improvements on the local economy.

The initiatives, including equipment upgrades and system rehabilitation, are said to have significantly improved the quality of power distribution services, driving economic growth in Iloilo City.

Mr. Padojinog attributed the 3.8% gross city domestic product to MORE Power being a reliable electricity service provider, creating an average of 2,200 jobs every year, which is said to have generated a total of P1.75 billion worth of

additional income for Iloilo City's households from 2020 to 2022.

"On average, annually it creates 2,200 jobs," he said. "Just imagine if it shuts down thus a lot of jobs will be lost."

MORE Power created a total of 6,693 jobs directly and indirectly from 2020 to 2022, he said.

The reduction in system losses has directly benefited consumers, providing them with extra income, Mr. Padojinog said. As a result, consumers injected about P1.01 million into the economy through additional consumption spending in 2022.

Due to the enhancements, more customers subscribed to MORE Power's services, leading to an increase in captured customer connection, which was 90,692 in 2022, higher than the 84,735 recorded in 2021.

"You could see that a reliable utility infrastructure, a reliable infrastructure provider, will have reverberating effects on an economy. So the opposite can be true. If you have an unreliable service provider, it will lead to rent-seeking behavior," Mr. Padojinog said. — **Sheldeen Joy Talavera**

## Cebu Pacific taps Neste for sustainable aviation fuel

BUDGET CARRIER Cebu Pacific has partnered with Neste to explore the availability of sustainability aviation (SAF) fuel supply in Asia Pacific.

In a statement, Cebu Pacific said it had signed a five-year memorandum of understanding with Neste, an international producer of SAF, to explore supply and purchase of green fuel.

"Carbon emissions are a pressing concern in the aviation industry. To this end, Cebu Pacific has laid out initiatives to address our

emissions footprint, with a primary focus on integrating SAF in its operations. This will consequently minimize the environmental impact generated from our flights," Alex B. Reyes, chief strategy officer of Cebu Pacific said in a media release on Thursday.

SAF can help reduce emissions from air transportation as it is made from non-petroleum feedstock like agricultural waste and used vegetable oil.

Cebu Pacific's collaboration with Neste implies its commit-

ment to minimize its environmental footprint, which is also aligned with the global aviation industry's target of achieving net-zero carbon emissions by 2050.

"Sustainable aviation fuel is a readily available solution for reducing the greenhouse gas emissions from air travel. We are proud that we are going to support Cebu Pacific's commitment to reduce their environmental impact by using our Neste MY Sustainable Aviation Fuel," said Sami Jauhiainen, act-

ing executive vice-president of the renewable aviation of the renewable aviation business unit at Neste.

The Neste official added that the group is looking forward to building the cooperation with Cebu Pacific in the future.

Earlier, Cebu Pacific said it was planning to use SAF across its commercial network by 2030 as part of its commitment to help the aviation sector achieve net-zero greenhouse gas emissions by 2050. — **Ashley Erika O. Jose**

## Australia's Digital Classifieds Group acquires Lamudi Philippines and Indonesia

AUSTRALIA-BASED Digital Classifieds Group (DCG) has acquired the assets of online property marketplace Lamudi in the Philippines and Indonesia to partly sustain its growth.

In a statement on Thursday, DCG said it had acquired Lamudi assets from dubizzle Group, formerly known as EMPG. The recent deal came after DCG acquired Bangladeshi property portal Bproperty in January.

DCG claims that the recent acquisition makes it the second-largest property portal operator in Asia.

"This is an exciting time for Lamudi. We see a lot of opportunities to improve the Philippine real estate market, and with the support of DCG Group, Lamudi will continue to strengthen its market leadership," Lamudi Philippines Country Head Anurag Verma said.

"By providing an easy-to-use and secure platform for property

transactions, we build towards our goal of making the property buying journey easy, trustworthy, and convenient for Filipinos, thereby creating value for partners," he added.

After the acquisition, DCG now operates leading real estate portals in five Asian markets: Indonesia, the Philippines, Bangladesh, Cambodia, and Papua New Guinea. The group also now has a global workforce comprising over 900 staff members.

"Lamudi, under the stewardship of the dubizzle Group and the management team, have created dominant classifieds and transactional property marketplaces in two of Asia's most exciting markets: Indonesia and the Philippines," DCG Group Chief Executive Officer Mathew Care said.

"Our vision is to build a market-leading classifieds group in Southeast Asia, a region of

incredible opportunities and this acquisition is a catalyst to delivering this vision. I am incredibly excited to enter these markets and welcome the Lamudi team to the DCG family," he added.

Founded in 2013, Lamudi has since shifted to a transaction-based business from its initial focus on building dominant property classifieds in frontier markets.

"DCG and Lamudi have shared a similar vision for many years; to provide the best and most trusted platform to transact property in their respective markets. Both companies have delivered on this promise, and I'm confident that Lamudi will continue to achieve new highs under DCG. This is an exciting new chapter for Lamudi and our staff," Lamudi Chief Executive Officer and Founder Kian Moimi said. — **Revin Mikhael D. Ochave**