

# Boosting PHL property amid a skidding economy

By Joey Roi Bondoc

Editor's note: This is the second of a two-part article by Colliers Philippines. The first article was published on Oct. 3. <https://www.bworldonline.com/property/2023/10/03/549180/boosting-philippine-property-amid-a-skidding-economy-part-1/>

## SUBDUED CONDO DELIVERY

Metro Manila office transactions in the first half of 2023 reached 306,000 square meters (3.3 million square feet), down 9% from the 324,000 sq.m. (3.5 million sq.ft.) recorded a year ago. By the end of 2023, we expect new supply to reach 668,400 sq.m. We project the Ortigas central business district, Fort Bonifacio and Quezon City to cover more than half of the new supply. From 2023 to 2025, we expect the annual delivery of 492,400 sq.m. (5.3 million sq.ft.) of new office space. This is half of the nearly

1 million sq.m. (10.8 million sq.ft.) delivered annually from 2017 to 2019, a period wherein completion and demand was positively influenced by the Philippine Off-shore Gaming Operators sector.

The vacancy rate reached 18.4% as of the end of the second quarter. By end-2023, we expect vacancy to reach 21.2%. We attribute the potential rise in the vacancy rate to the substantial new supply likely to be completed in the second half, which we estimate at about 538,900 sq.m. (5.8 million sq. ft.).

While vacated spaces across Metro Manila have been on a decline, some occupants continue to rationalize office space due to various reasons such as non-renewal, pre-termination, and rightsizing.

Average Metro Manila office rents were stable in the second quarter of 2023. We have observed that submarkets with sustained take-up saw a recovery in rents.

However, business districts with substantial supply coming

online in the second half 2023 as well as those with double-digit vacancies are likely to see further decline in rents.

The good news is that we are recording office space transactions even outside Metro Manila. At Colliers, we always recommend that developers continue to be on the lookout for opportunities to develop more office towers in major outsourcing hubs outside Metro Manila including Iloilo.

Property firms should further explore development opportunities in key growth areas and maximize the availability of skilled manpower and topnotch infrastructure.

## TEMPERED REVENUE DINING, SPENDING

Given a sanguine macroeconomic and consumer confidence outlook, Colliers believes that the retail sector will continue to grow, especially as the Philippine economy is primarily led by household spending. Malls continue to record high foot traffic especially during weekends and experiential re-



PHILIPPINE STAR/MIGUEL DE GUZMAN  
**GIANT Christmas balls are displayed inside a mall in Mandaluyong City.**

tail is starting to recover lost ground.

Lease rates are starting to increase, that's why retailers should be quick in locking in prime spaces in major business districts — from north to south of Metro Manila.

Meanwhile, given the growing interest from foreign retailers, Colliers recommends that mall operators seize the demand from

these firms by taking into account their size and fit out requirements.

Online and offline shopping will continue to complement each other, which should compel mall operators and retailers to ramp up their omnichannel strategies.

Innovation will be the name of the game for several retailers, especially those that are trying to sustain heavy footfall and substantial level of spending per

capita. Reactivation of activity and event centers is a must, particularly now that people are willing to go out and spend and participate in various mall events.

There is no doubt Filipino shoppers are back. Brick-and-mortar mall spaces are regaining their relevance as the Filipinos' de facto public spaces, but online shopping remains in-demand. Hence, distribution points for large and popular retailers should be strategically located within and outside Metro Manila to cater to discerning buyers, especially those who prefer deliveries within 24 hours.

Interest in experiential retail is reverting to pre-pandemic level and presents a perfect opportunity for retailers and mall operators to diversify, differentiate, and eventually corner a greater fraction of the Filipino consumer base.

JOEY ROI BONDOC is the research director for Colliers Philippines.



### GERI breaks ground for Twin Lakes Countrywoods

GLOBAL-ESTATE RESORTS, INC. (GERI) recently broke ground for Twin Lakes Countrywoods, its fourth residential development within the 1,200-hectare tourism estate development Twin Lakes in Laurel, Batangas. The eight-storey, resort-type condominium offers 261 units with balconies to give residents a view of the surrounding areas, including Taal Lake and Taal Volcano. In photo (from left to right): Ma. Beatriz G. Rodriguez, GERI architect-in-charge; Felipe L. Mangubat, Jr., GERI vice-president for operations; Glennford Herald, Megaworld Global-Estate, Inc. first vice-president for sales and marketing; Ronald Lambencio, area head for Twin Lakes, GERI; and Alfredo Comendador, Premium Megastructures, Inc. president.

## BRIEFS

### MPIC foundation to help preserve marine ecosystems in Mabini, Batangas

METRO PACIFIC Investments Foundation (MPIF) recently teamed up with the municipality of Mabini, Batangas to support the conservation and protection of the coastal and marine environment.

MPIF has pledged to allocate P1.5 million over a span of three years. This would fund training, allowances, uniforms, equipment, and logistical support for Shore It Up (SIU), the flagship corporate social responsibility project of Metro Pacific Investments Corp. (MPIC).

SIU also inaugurated the Coastal Resource Management Office in Mabini. This facility will support the management and preservation of coastal resources, and serve as a focal point for community engagement and awareness.

"This partnership is another representation of our unwavering commitment to environmental sustainability and community development. We believe that together, we can make a positive impact on the coastal and marine ecosystem of Mabini, Batangas, and contribute to a brighter future for our oceans," MPIF President Melody del Rosario said in a statement.

MPIC is one of three Philippine subsidiaries of Hong Kong-based First Pacific Co. Ltd., the others being PLDT Inc. and Philex Mining Corp. Hastings Holdings, Inc., a unit of PLDT Beneficial Trust Fund subsidiary MediaQuest Holdings, Inc., maintains interest in *BusinessWorld* through the Philippine Star Group, which it controls.

### MatchHome offers simplified way to buy a home

A NEW real estate platform is offering an all-in-one solution that would simplify the process of buying a home.

MatchHome ([www.matchhome.ph](http://www.matchhome.ph)) is described as a comprehensive real estate service that includes finding a property to securing a mortgage loan.

"With MatchHome, they can find all the resources they need — from searching the property, to assessing if it's a good fit for them and finding the financing service to help them complete the purchase. This portal was developed to help fulfill their dream home from start to finish," MatchHome President and CEO Kevin Carreon said in a press release.

MatchHome features a live inventory of properties that is constantly updated. These include projects by real estate developers such as SM Development Corp., Robinsons Land Corp., Megaworld Corp. and Filinvest Land Corp.

Customers can use MatchHome's free assessment feature, which can help them make informed decisions on their property purchase. It also offers loan assistance.

MatchHome's partner banks include Asia United Bank, Bank of the Philippine Islands, BDO Unibank, and Metropolitan Bank & Trust Co. It also works with home loan companies including HC Mutual and PNB OPHL (Own a Philippine Home Loan).

MatchHome's centralized live inventory of available properties allows sellers to recommend properties to their clients nationwide.

## Lowering 'green premium' key to sustainable cities

BRINGING DOWN the cost of eco-friendly choices and securing National Government support will help make cities become more sustainable, experts said.

"I think for the most part, people want to live sustainably, what is really preventing them is maybe the cost and that is where the 'green premium' comes in. So, the whole objective is how do we work to bring down the green premium," Anna Ma. Margarita B. Dy, president and chief executive officer of Ayala Land, Inc., said during a panel discussion on building sustainable cities at the FINEX Conference 2023 on Friday.

The green premium is defined as the additional cost of picking a green-labeled building over conventional buildings.

"In the property development sphere, if all of us have that net-zero target, then all our suppliers need to work towards that and all our customers will now demand that, and with that, we all have to work towards bringing down the green premium," Ms. Dy said.

The focus of companies should be on bringing down the green premium, she added.



PHILIPPINE STAR/MIGUEL DE GUZMAN  
**PEOPLE enjoy a car-free Sunday morning along Ayala Avenue in Makati City.**

Paulo G. Alcazaren, urban planner and landscape architect at PGAA Creative Design, said one of the main challenges in developing a sustainable city is access to land.

"It is really land and access to land. There should be an audit of all the remaining government land because the natural tendency for the government is to sell it off when in fact all of these spaces can be used," he said.

Makati Mayor Mar-len Abigail Binay-Campos said that existing

land resources and the National Government support are things to be considered in developing sustainable cities.

"The biggest frustration are things that are beyond our control. So number one, you need the support of the National Government," she said.

Ms. Binay-Campos noted an LGU (local government unit) can try to decongest its city, but it needs to relocate people to another area and provide livelihood for them.

"There are certain things that need or require the support of the National Government, for example if you want to decongest your city, you will have to relocate people in another area but if you do that, you'll have to find a space for that and provide livelihood," she said.

Ms. Binay-Campos said decongestion and decentralization will be ineffective if the government will not be able to provide the needs of the people in the area where they are relocated.

D.M. Wenceslao Group Chief Executive Officer Delfin Angelo C. Wenceslao said property developers should aim to improve urban mobility within their projects.

"In Aseana City, the smallest size of sidewalks are five meters, so whenever somebody builds or leases land from us, we ask them to follow the guidelines and enforce it," Mr. Wenceslao said.

"And we see that people who bought or leased land from us, if they see that the first two builders have already done it, they will see that it's natural (to be) continuing it," he added. — **Justine Irish D. Tabile**

## AppleOne develops lifestyle hub in Lapu-Lapu City

CEBU-BASED property firm AppleOne Group is developing Mahi Center, a business and lifestyle hub in Lapu-Lapu City.

Mahi Center, a mixed-use development designed by ArchiGlobal, is located within the Mactan Economic Zone.

"It is an architectural marvel comprising a five-storey office tower that will seamlessly integrate IT facilities, meticulously designed office spaces for companies and BPOs (business process outsourcing) to cater to the demand for more employment opportunities in Cebu," the company said.

Mahi Center will offer direct access to the boutique shopping mall that will feature local and foreign brands, a supermarket, coffee shops, and other food brands.



The building boasts of several sustainability features, such as double-glazed windows, low-flow bathroom fixtures, as well as energy-efficient equipment to reduce water and energy consumption.

The center will also have Fairfield by Marriott Cebu Mactan, a nine-floor business hotel with 196 rooms for occupancy, three meeting rooms and one function room.

Even before it is officially launched, the Mahi Center was recognized as the Best Mixed Use Architectural Design at the 11<sup>th</sup> PropertyGuru Philippines Property Awards.

"Mahi Center is inspired by coral patterns, with gently sloping perforated metal skin encasing the oval high atrium marking the entrance to the office and the mall, which creates a distinguishing feature for the development," AppleOne said.

### Madrid hotel room prices to rise at half the pace of Barcelona's in 2024 — survey

MADRID — Hotel room rates in Madrid are expected to rise at half the pace of those in Barcelona in 2024 thanks to a boom in hotel openings in the Spanish capital to meet surging tourist demand, according to a forecast by American Express Global Business Travel.

The annual survey expects room rates in Madrid to rise by 4.5%, while prices in Barcelona will increase by 9% next year.

Madrid's plan to attract a number of five-star hotels to compete in the high-end tourism sector, previously dominated in Europe by Paris, London and Milan, is bearing fruit even as Barcelona slips due to tougher building regulations.

Madrid will have more than 2,700 luxury hotel rooms by the end of 2023, up 50% from a decade ago, according to a report by commercial real estate services company JLL.

— Reuters

### FULL STORY



Read the full story by scanning the QR code  
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### JOB VACANCY

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1 CHINESE PURCHASING MANAGER  
2 CHINESE PURCHASING OFFICER**

- Must be 4 years college graduate in any related field
- Experience Purchasing Manager
- Good communication skills to interact with the supplier core group.
- Experience in international purchasing and logistic.
- Deep knowledge of inventory and supply chain management.
- Strong communication skills, good organizational, time management, and scheduling skills
- Speak Chinese, Korean and English fluently

**DELIGHTFOOD INC.**  
Address: Unit 239, Avida CityTlex Soho Building, 7th Avenue corner Lane T, Bonifacio Global City, Fort Bonifacio, City of Taguig  
Email: [paramountvisaofficer@gmail.com](mailto:paramountvisaofficer@gmail.com)

### JOB VACANCY

**5 ACCOUNTING STAFF  
20 HUMAN RESOURCE SPECIALIST  
15 TECHNICAL SUPPORT REPRESENTATIVE  
10 MARKETING SPECIALIST  
100 VIETNAMESE CUSTOMER SERVICE REPRESENTATIVE  
50 THAI CUSTOMER SERVICE REPRESENTATIVE  
50 TAIWANESE CUSTOMER SERVICE REPRESENTATIVE  
50 INDOONESIAN CUSTOMER SERVICE REPRESENTATIVE  
25 MALAYSIAN CUSTOMER SERVICE REPRESENTATIVE  
20 IT TECHNICAL SUPPORT**

- Must be 4 years bachelor degree in any related course
- Critical thinking and problem-solving skills to quickly assess current state and formulate recommendations
- At least 3-5 years of experience in job related fields using computer as primary job tools
- Willing to work in high pressure environment
- Proficiency in management systems
- Great communications skills and must be fluent in Chinese, Thai, Malaysian, Indonesian, Taiwanese, Vietnamese and English language

**RIDGE OUTSOURCING SERVICES INC.**  
Address: 12/F PBCOM TOWER, 6795 AYALA AVE. COB. V.A. RUFFINO ST., BEL-AIR, MAKATI CITY  
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### JOB VACANCY

**5 ACCOUNTING STAFF  
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50 TAIWANESE CUSTOMER SERVICE REPRESENTATIVE  
50 INDOONESIAN CUSTOMER SERVICE REPRESENTATIVE  
25 MALAYSIAN CUSTOMER SERVICE REPRESENTATIVE  
20 IT TECHNICAL SUPPORT**

- Must be 4 years bachelor degree in any related field
- Critical thinking and problem-solving skills to quickly assess current state and formulate recommendations
- At least 3-5 years of experience in job related fields using computer as primary job tools
- Willing to work in high pressure environment
- Proficiency in management systems
- Great communications skills and must be fluent in Chinese, Thai, Malaysian, Indonesian, Taiwanese, Vietnamese and English language

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### JOB OPENING

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30 Indonesian Retention Specialist  
30 Indonesian Trainer  
20 Indonesian Quality Control  
10 Indonesian Finance Officer  
30 Indonesian IT Support Specialist  
30 Indonesian Account Specialist  
10 Indonesian Comptroller  
5 Indonesian HR Head**

- Must be 4 years college graduate in any related field
- Works well under pressure. Self-motivated.
- Good communication skills to interact with the client
- Solid organizational skills including attention to detail, and manage task effectively
- At least 5 years of experience as a consultant
- Fluent in both Indonesian and English language

**GIGA INFORMATION TECHNOLOGY AND SOFTWARE DEVELOPMENT INC.**  
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