

## After renovations are complete

# Manila House private club to consider expansion



PRIVATE CLUB Manila House is open to expanding to other cities outside the capital once the current site completes its renovations.

"Maybe. People always say maybe in Cebu, or some other place. We're so lucky because we found this lovely spot," Manila House Chair Doris Magsaysay Ho said on the sidelines of an event in Taguig City last week in response to a query about possible expansion.

Last week, Manila House signed a 10-year lease renewal with the NEO Group for the private club's space at the NEO

building in Bonifacio Global City. The club is currently undergoing renovation.

"We just want to make this work very well now that we are doing renovations. We'll make that work and we'll think later (about expanding)," Ms. Ho said.

She said that possible expansion areas for Manila House should have "a unique selling proposition."

"It's got to have a unique selling proposition. We don't have enough heritage sites. Wouldn't it be nice if we had a club in a beautiful heritage site?" Ms. Ho said.

Some of the renovations in Manila House include the closing of Avenue Bar to be transformed into an area where members can listen to music, a new deck, and a garden extension.

"We hope to have a jazz bar where we can listen to music. There will be a lot of transformation, a lot of exciting things coming," Ms. Ho said.

NEO Chief Executive Officer Raymond D. Rufino said the new 10-year lease with Manila House, founded in 2017, is a win-win arrangement for both parties.

"It's to the benefit of Manila House and its members because this is to ensure the viability and sustainability of the club. In addition, Manila House adds benefit to our tenants in the buildings because it's where they meet. Manila House is a community space," Mr. Rufino said.

Meanwhile, Ms. Ho said that more memberships will be available in Manila House as the renovation proceeds.

"More memberships are available, but slowly selected so that we will not be overwhelmed," she said. — **Revin Mikhael D. Ochave**

## UK home asking prices rise as mortgage relief spurs activity

UK HOME SELLERS increased their asking prices for a second month amid further signs the property market is building momentum after its worst year since the financial crisis.

The average price of a property put up for sale rose 0.9% to £362,839 (\$456,400) in February with gains across all UK regions including London, according to real estate portal Rightmove. It left prices 0.1% higher than a year earlier, the first positive annual reading since July 2023.

Agreed sales in the first six weeks of this year were 16% higher than the same period last year, while new listings and buyer enquiries were both up 7%.

The figures published on Monday appear to confirm a housing market returning to health as cheaper borrowing costs and a brighter economic outlook lure buyers back into the market. Official data last week showed prices increased for the first time in four months in December, while more forward-looking data from lenders Halifax and Nationwide indicated further gains in January.

There's scope for "cautious optimism as we settle into 2024, with encouraging activity levels and a more stable housing market," said

Rightmove Director of Property Science Tim Bannister. Prospective buyers who can afford to do so have "acted fast and demonstrated their belief that 2024 is their year to get moving."

Home sellers were most bullish in Scotland, where the average asking price rose 5.9% on the month. In London, they climbed by 2.8% to £682,989, and no region of the country saw prices decline.

Still, the market remains very price-sensitive, with overpriced homes "left on the shelf." Buyers now have a greater choice of property for sale and borrowing costs remain "elevated," Rightmove said.

While mortgage rates have fallen from 15-year highs last summer, they are still well above levels before the Bank of England began its hiking cycle and have started to edge up again this month. According to Moneyfacts, the average 2-year fixed residential home loan is around 5.7%.

Motivated sellers need to be realistic about valuations, said Kate Eales, deputy head of residential at agency Strutt & Parker. "Buyers' budgets are still being largely constrained by expensive mortgage products, so it's a careful balance." — **Bloomberg**

## Dubai golden visas are propping up office market

AT THE HEIGHT of the global pandemic, as Dubai faced an exodus of expatriates and mounting competition from neighboring business hubs, the government opened up.

That decision is now helping the city dodge the commercial real estate crisis rippling across the globe.

The United Arab Emirates (UAE) — of which Dubai is a part — started to break away from a decades-old economic model that prevails across the oil-rich region, linking residency to employment. Officials widened the eligibility net for long-term 'golden' visas, abolished a requirement for companies to have a majority local partner, switched to a Monday-Friday working week and made it legal for unmarried couples to live together.

Policymakers wanted to help Dubai shed its reputation of being a transient city by attracting expatriates and encouraging some of them to set up businesses. That seems to have paid off.

In response to questions from Bloomberg, authorities released data for last year, revealing the scale of the turnaround. The city had 411,802 active business licenses in 2023. That's a 30% jump from 2022 levels and a 75% increase from 2021.

Earlier this month, Dubai International Financial Centre said the number of entities registered there rose 26% in 2023 from a year earlier to over 5,500. The free-zone now employs about 41,600 people — a 15% increase.

The impact is most evident in the emirate's commercial real estate market. Occupancy is at record highs in contrast to slumping demand in other cities including London and New York. In Dubai's financial district, known as DIFC, office space is scarce and rents are still rising.

The business hub's most prominent tower is up for sale, and could be valued at as much as \$1.5 billion. That property in DIFC is among Brookfield's best performing assets globally at a time when other assets — including in Los Angeles and London's Canary Wharf — have been hit by falling occupancy.

"The market is quite divorced from the trends we see across the world," said Prathyusha Gurrapu, head of research and advisory at the property firm Cushman & Wakefield Core. "While a lot of western markets are still working on a hybrid or work from home model, here there is a surge in demand and almost everyone is back in the office."

To be sure, a number of external factors also boosted arrivals. Bankers relocated from Asia to escape lockdowns, while wealthy Russians moved in to shield assets after their country invaded Ukraine in 2022. Crypto investors flooded in, alongside rich Indians looking for second homes, as well as young job seekers from Europe and the wider Middle East.

Government reforms enabled some of the new arrivals to set up businesses.

"When taken holistically, the changes made are significant," said Ryan Bohl, a senior Middle East & North Africa analyst at risk intelligence consultancy Rane Network. Saudi Arabia and Qatar "are both going to be pressured to try to find ways to liberalize their economies in ways that make sense for themselves, if they want to compete with the economic freedom Dubai gives businesses," he said.

Apart from the commercial property boom, signs of the influx are visible elsewhere. Waiting lists for schools and clubs run long, while key roads are routinely jammed. The government has announced a \$5-billion public transit project and policymakers predict Dubai's population will surge to 5.8 million in 2040 from over 3.5 million currently.

Residential property prices are closing in on records, despite mortgage rates hovering at the highest levels in two decades. Average annual rents for villas have surged to nearly \$88,500. Last year, buyers queued up for \$5 million homes and one developer sold houses worth \$844 million in hours. At the high end, sales of homes worth \$25 million or more doubled in 2023.

The new rules have upended Dubai's real estate market in other ways. End users now account for 44% of property purchases, compared with 29% in 2019, according to property broker Betterhomes.

Londoner Jake El-Rasoul is one the thousands of expatriates looking to buy a home in Dubai. Since moving to the city a decade ago, the 40-year-old has lived year to year, aware that he'd likely need to leave if he lost his job.

But in May 2022, encouraged by the government's visa reforms, he opened a financial advisory firm. "I sort of saw an opportunity and thought it was a good time to set up my own business," he said. "It's not so daunting anymore and the flexibility around visas is definitely a big factor."

Policymakers across the Middle East see knowledge-based industries as the future and have been plowing oil wealth into high-tech sectors. To attract the right people for such jobs, UAE authorities recognized the importance of providing long-term horizons and predictability — the bedrock of decision making for executives. Golden visas ensure that to a degree, even though citizenship remains largely off the table.

While Saudi Arabia also announced initiatives to make Riyadh a more attractive destination, challenges remain. One big question is whether it's ready from an infrastructure, housing, lifestyle and administrative standpoint for an influx of foreign white-collar workers and their families. Equally, a question mark hangs over whether people will abandon the relatively freer and more cosmopolitan Dubai to move there.

Mr. El-Rasoul, for his part, plans to make Dubai his home for at least the next decade. "It feels like there's more people coming here to live for a long time," he said. "Dubai has changed in that respect." — **Bloomberg**

### FULL STORY



Read the full story by scanning the QR code with your smartphone or by typing the link [tinyurl.com/2zcd7y94](https://tinyurl.com/2zcd7y94)

### Wage, from S1/1

BSP Senior Assistant Governor Iluminada T. Sicat earlier said BSP's baseline inflation projections did not take the most recent wage hike proposals into account.

Inflation eased to 2.8% in January from 3.9% in December, the second straight month it fell within the Philippine central bank's 2-4% target.

"This could force the hand of BSP to keep rates at elevated levels or preemptively raise interest rates should the perceived inflation risk threaten the 2-4% target," Mr. Roces said.

Inflation could breach the target because of the legislated wage increase, Michael L. Ricafort, chief economist at Rizal Commercial Banking Corp., said in a Viber message. "There could be a possible rate hike to lower or to better anchor inflation back to the inflation target and better manage it."

Nagkaisa, the country's biggest labor coalition, said the legislated wage hike could lead to reforms in the regional wage-setting mechanisms.

"For too long, these systems have failed to deliver justice and equity to the Filipino working class," it said in a statement. "For over three decades, the plight of the workers has been met with inadequate responses, highlighting the urgent need for a comprehensive overhaul of wage policies."

A Filipino family of five needs at least P13,797 a month or P460 a day to meet their basic needs, according to the local statistics agency.

Renato B. Magtubo, who heads Partido Manggagawa, said raising workers' pay would help mom-and-pop stores and smaller businesses earn more.

"Absent regular support from the government, it is more evident that the transfer of income from wages of formal labor is what sustains sari-sari stores, and consequently, Aling Nena's self-employment in the informal economy," he said in a statement.

Metro Manila's daily minimum wage rose by P40 to P610 in June, much lower than the P570 increase sought by some labor groups.

The International Labour Organization has said the erosion of real wages and living standards by high inflation rates and housing costs globally is unlikely to be addressed or offset this year.

In a report last month, it said it expects the global jobless rate to rise to 5.2% this year from 5.1% a year earlier. The global labor market is set to "deteriorate moderately" because of increased joblessness in advanced economies, it added.

"A higher minimum wage does not only impact the lives of those directly affected but reverberates throughout our communities, stimulating local economies and ensuring that people would have more money in their pockets to meet their basic needs," Mr. Estrada said.



### Foreign exchange, from S1/1

The BSP has undertaken various liberalization measures to ease foreign exchange rules to facilitate transactions of banks, public and private companies, small and medium enterprises, overseas Filipinos and the public. Since 2007, the Philippine central bank has approved and completed 13 rounds of foreign currency policy liberalization.

In August 2021, the 12th wave of FX reforms allowed the electronic submission of documents and the use of digital signatures to streamline compliance with documentary requirements for foreign exchange transactions.

It also allowed the sale of foreign currency to support government infrastructure development projects and facilitated the funding of peso deposit accounts for foreigners involved in trade transactions.

"Building on this progress, the implementation of the 13th wave of FX reforms in March of 2023 translated pandemic-related relief measures into policy, easing compliance for banks," Ms. Aquino said.

"These measures include the removal of the notarization requirement for certain supporting documents in both trade and non-trade transactions, as well as the lifting of processing charges for late submissions to the BSP for certain FX-related documents," she added. — **Keisha B. Ta-asan**

### Rate hike, from S1/1

"The US still got a macroeconomy that's extremely robust," Mr. Carnell said. "My guess is that we find that the landing is softer and that we need to push back the easing."

Mr. Mapa noted that if the US Fed starts cutting interest rates by May, the BSP could follow suit by June if local inflation is still within the 2-4% target.

Inflation eased to the lowest in three years to 2.8% in January from 3.9% in December and 8.7% a year ago. It was the second straight month that inflation was within the BSP's 2-4% target.

Last week, the BSP lowered its risk-adjusted inflation forecast for this year to 3.9% from 4.2% but raised its outlook for 2025 to 3.5% from 3.4%.

It also cut its baseline inflation forecast for this year to 3.6% from 3.7% but kept its projection for 2025 at 3.2%.

Moody's Analytics said the BSP's recent policy move was in line with expectations. "We expect rates to hold steady until cuts start from mid-2024," it said in a separate report.

Mr. Carnell does not rule out the possibility of the Fed increasing rates further this year if US inflation unexpectedly picks up in the second half.

"Let's suppose that the Fed has been very cautious and hasn't eased already by that stage," he said. "Could I perhaps imagine that maybe one last 25-bp hike is something that they need to deliver to properly pull inflation back down? It's a difficult thought experiment to run but it's not an impossible one."

The BSP may also not be done with its hiking cycle if the Fed does deliver one more rate hike.

"If the Fed does hike rates, then there would be room for additional rate hikes," Mr. Mapa said. "[But BSP] doesn't have to respond right away. They have to gauge if there's pressure in the spot market."

The BSP will hold its next policy review on April 4.

ATRAM TRUST CORPORATION	
8th Floor, 8 Rockwell Building, Rockwell Drive, Rockwell Center, Makati City	
Balance Sheet	
As of December 31, 2023	
ASSETS	AMOUNT
Deposit in Banks	48,363,245.61
Available-for-Sale (AFS) Financial Assets (Net)	162,179,197.04
Accrued Interest Income from Financial Assets (Net)	513,875.00
TC Premises, Furniture, Fixture and Equipment (Net)	60,381,418.43
Other Intangible Assets (Net)	347,787,120.27
Deferred Tax Asset	2,087,397.77
Other Assets (Net)	267,931,569.18
<b>TOTAL ASSETS</b>	<b>889,243,823.30</b>
LIABILITIES	
Income Tax Payable	8,710,540.76
Finance Lease Payment Payable	42,622,555.08
Other Taxes and Licenses Payable	14,143,336.05
Accrued Other Expenses	91,207,715.48
Provisions	25,923,955.77
Other Liabilities	340,455,962.36
<b>TOTAL LIABILITIES</b>	<b>523,064,065.50</b>
STOCKHOLDER'S EQUITY	
Paid-in Capital Stock	212,871,251.00
Additional Paid-in Capital	87,149,761.00
Retained Earnings	21,219,779.63
Undivided Profits	41,122,173.63
Other Comprehensive Income	3,816,792.54
<b>TOTAL STOCKHOLDER'S EQUITY</b>	<b>366,179,757.80</b>
CONTINGENT ACCOUNTS	
(1) Trust Accounts	313,629,887,252.99
(2) Deficiency Claims Receivable	-
(3) Items Held as Collateral	-
(4) Late Payment Received	-
(5) Derivatives	-
(6) Others	-
<b>TOTAL CONTINGENT ACCOUNTS</b>	<b>313,629,887,252.99</b>
ADDITIONAL INFORMATION	
Return on Equity (ROE)	11.05%
Return on Assets (ROA)	6.25%
Percentage of total trust fees to AUM	0.34%
DOSRI Loans and Receivables	0
Past Due DOSRI Loans and Receivables	0
Total outstanding investments to DOSRI and related parties	0
REPUBLIC OF THE PHILIPPINES)	
MAKATI CITY) S.S.	
We, Phillip S. Hagedorn and Andrew P. Caw of the above-mentioned trust corporation do solemnly swear that all matters set forth in the above Balance Sheet are true and correct to the best of our knowledge and belief.	
(Sgd.) PHILLIP S. HAGEDORN President	(Sgd.) ANDREW P. CAW Head, ATRAM Funds
SUBSCRIBED AND SWORN TO BEFORE ME this February 19, 2024, affiant exhibiting to me their Driver's License No. N01-84-007815 issued in Manila valid until July 28, 2026 and Driver's License No. N02-93-212528 issued in Manila valid until November 18, 2031.	
Book No.: 369 Page No.: 75 Doc No.: 12 Series of 2024	ATTY. ROLAND E. LAS PINAS Notary Public, City of Manila License No. 020408 2016 All-Liquor, 2018, 2019, 2020, 2021, 2022, 2023, 2024 Notary Public, City of Manila 2016 All-Liquor, 2018, 2019, 2020, 2021, 2022, 2023, 2024 Notary Public, City of Manila 2016 All-Liquor, 2018, 2019, 2020, 2021, 2022, 2023, 2024 Notary Public, City of Manila