RLC Residences unveils leasing website for condominium unit seekers

RLC RESIDENCES has introduced a leasing website to facilitate the search and comparison of condominium units for potential renters.

"We aim to simplify the process of searching within our developments...," RLC Residences Senior Director, Marketing Head, and Chief Integration Officer Karen Cesario said in an e-mailed statement on Feb. 21.

The website helps prospective tenants navigate and compare properties based on location, unit type, and rental rates.

Properties are available in seven cities: Mandaluyong, Muntinlupa, Pasay, Pasig, Quezon, San Juan, and Taguig.

"The newly launched leasing website featuring condo units for rent allows home seekers to match themselves to the right place for them to live in," the company said.

Upon selecting the desired unit, the website also displays actual residential snapshots and available amenities for each property.

For example, The Sapphire Bloc, a 36-square-meter one-bedroom unit in Pasay City, with a monthly rate of P40,000, has amenities such as a children's playroom, playground, dry garden, fitness gym, function room, and others.

"RLC Residences' leasing website allows unit seekers to check the rental range of fees for each unit, and even compare them with other properties within its portfolio," the company said.

The rental rates range from P16,000 to P80,000, depending on the property type, unit type, and location.

RLC Residences is the residential division of listed company Robinsons Land Corp. — **Aubrey Rose A. Inosante**

OJ SERRANO-UNSPLASH

Slower office demand seen amid CREATE discussions — JLL

A DECREASE in demand for office space in Metro Manila may be expected as companies pause to await developments in the proposed changes to the Corporate Recovery and Tax Incentives for Enterprises (CREATE) law, property consultant JLL said.

The business process outsourcing (BPO) sector, in particular, is taking a "wait-and-see approach" as it assesses the proposed amendments to the law that could influence its work setup, JLL said in its latest report.

"If enacted, this would allow BPO companies to implement full work-from-home schemes while retaining their tax incentives, prompting a reconsideration of their office space requirements," the company said.

House Bill No. 9794, also known as CREATE MORE (CREATE to Maximize Opportunities for Reinvigorating the Economy), seeks to amend Republic Act No. 11534, or the CREATE law.

The measure seeks to permit domestic market-focused companies and exporters to maintain duty exemptions, value-added tax (VAT) exemptions on imports, and VAT zero-rating of local purchases as authorized by their respective investment promotion agency registrations.

The bill is set to be forwarded to the plenary for debates and discussions.

For the fourth quarter, BPOs accounted for the majority of the capital's transaction volume in the office space.

Vacancy increased to 18% as the leasing market cooled, coupled with the additional supply introduced during the quarter. "A further uptrend in vacancy levels is expected in the first half of 2024, due to the substantial amount of upcoming supply expected to be introduced in the next two quarters," JLL said.

Office rents stood at P1,122.1 per sq.m. per month, almost steady in the fourth quarter compared to the previous quarter due to "a sluggish office market."

"A majority of the office buildings retained their rates, while selected developments opted to lower rents to stimulate demand," JLL said.

With the most developments in the office sector, JLL said that developers would likely maintain their rents due to expected slower demand and rising vacancy levels.

"In contrast, prime developments with strong demand are likely to see rent increases, potentially lifting the overall market average," JLL said. — **Sheldeen Joy Talavera**

Betting big on PHL hospitality

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

COLLIERS INSIGHTS

THE Philippine hospitality sector continues to recover after incurring substantial losses in 2020 and 2021. The Philippine government's international arrivals target in 2023 was breached, resulting in overall improvement in Metro Manila occupancies and daily rates. Meanwhile, 2024 will be a banner year for new hotel completion in Metro Manila, with local and foreign brands to open new facilities across the Philippines. The tourism sector's share to national economic output has also been improving.

MAXIMIZE THE RETURN OF BUSINESS TRAVELERS AND IN-PERSON EVENTS

Four- and five-star hotels are likely to benefit from the return of in-person corporate events and the resurgence of business travels. Property exhibits, pharmaceutical product launches, overseas employment summits are among the events that help drive occupancies of hotels and are primarily hosted in hotels' meeting rooms and exhibition centers. Hotel operators should maximize the return of these in-person events and tap corporates by offering attractive packages. Hotel operators should also work closely with the Tourism department that is actively enticing international organizations to mount their events in the country. The department is also priming the Philippines as a key meetings, incentives, conferences, and exhibitions (MICE) destination in Asia, and this should result in the holding of international MICE events in the Philippines, especially in Metro Manila, Clark in Pampanga, Cebu, and Davao.

TAKE ADVANTAGE OF THE GOVERNMENT'S 'BUILD, BETTER MORE' INITIATIVE

The development and modernization of more airports across the country should provide opportunities for property firms that intend to expand their leisure foothold. This expansion strategy should also be buoyed by the improvement of road networks leading to popular and emerging tourist spots across the Philippines. In our view, developers with parcels of land near major airports and mass transit systems should consider developing new hotels and explore complementing these with MICE facilities to cash in on a rebounding hotel sector across the Philippines, as shown by rising daily rates, occupancies, and tourism revenues. In our view, the hospitality sector will continue to benefit from improving infrastructure connectivity.

ATTRACT MORE NON-TRADITIONAL SOURCE MARKETS

Colliers believes that hotel operators should take a cue from the Tourism department's initiative of enticing more foreign tourists from non-traditional markets. In 2023, the Philippines' major source markets were the United States, South Korea, Japan, and Australia. A formidable part of these 'visitors' were also overseas Filipino workers vacationing in the Philippines. The Tourism department is trying to diversify its source of international arrivals and airlines and hotel operators should work with the government in targeting non-traditional source markets such as India, the Middle East and European countries. Hotel players should specifically target long-haul and high-spending tourists likely to propel hotel stays and leisure-related expenditures in hotels and other leisure-related establishments.

2023 ARRIVALS EXCEED DOT TARGET

Data from the Department of Tourism (DoT) showed that foreign arrivals in the country reached 5.45 million in 2023, breaching the full-year target of 4.8 million and the 2.65 million recorded in 2022. The total arrivals in 2023 represent a 66% recovery rate for the Philippines' all-time high of 8.26 million arrivals in 2019. South Korea remains as the country's top source market with 1.4 million arrivals followed by the United States (903,299), Japan (305,580), Australia (266,551) and China (263,836).

The DoT has also launched programs to attract more international visitors and prop up domestic tourism including the mounting of local and international travel fairs, signing of cooperation agreements with major tourist-generating markets including Japan. In 2024, the Tourism department's goal is to attract 7.7 million international tourists.

WANDER FLEUR-UNSPLASH

Meanwhile, international tourist receipts reached P482.54 billion ($8.7 billion) in 2023, more than double the P214.58 billion ($3.9 billion) a year ago and higher than the P482.15 billion ($8.7 billion) recorded pre-COVID or in 2019. The Tourism department remains optimistic as it aims to attract about 12 million foreign tourists in 2028.

HEALTHY OCCUPANCIES

Average hotel occupancies in Metro Manila reached 65% in the second half (H2) of 2023, up from 61% in H1 2023. The rise in occupancies was due to holiday-induced spending and the surge in foreign arrivals in the fourth quarter of 2023. The sustained demand for MICE also partly lifted the demand for hotels during the period. In 2024, we project average occupancy to reach 68% as we expect more international tourists despite the substantial completion of new hotel rooms in the capital region.

ADRs TO SUSTAIN RISE IN 2024

In 2023, average daily rates (ADRs) grew by 10.4%, higher than our forecast of a 6% growth. Four-star hotels posted the fastest ADR increase in H2 2023, indicating strong demand for business+leisure (bleisure) hotels. Meanwhile, five-star hotels saw continued growth year on year due to sustained demand for leisure and in-person corporate events. In 2024, Colliers projects ADRs to increase by 6%. We expect the substantial completion of rooms to slightly temper the growth in daily rates in 2024.

Optimism in the hospitality sector abounds. This is one of the primary reasons why foreign hotel brands are aggressively looking at opening accommodation facilities in the Philippines. With more than 7,640 islands there's definitely more to explore as the Philippines is ready for discovery. Love the Philippines!

For feedback, e-mail joey.bondoc@colliers.com or martin.aguila@colliers.com

ADB backs carbon pricing to reduce emissions from global value chains

THE Asian Development Bank (ADB) expressed support for carbon pricing schemes that will help developing Asia make global value chains more sustainable.

In its "Asian Economic Integration Report 2024: Decarbonizing Global Value Chains" report, the bank said that carbon pricing is the "key mechanism" for mitigating emissions.

"To significantly reduce carbon emissions globally, while also making sure climate efforts are more effective and sustainable, carbon pricing initiatives need to be extended to other regions outside the EU, especially Asia," ADB Chief Economist Albert Park said.

The bank said Asian economies are "contributing substantially" to the rise in greenhouse gas emissions. — **Luisa Maria Jacinta C. Jocson**

FULL STORY
Read the full story by scanning the QR code with your smartphone or by typing the link <tinyurl.com/27qlrss7>

AI investment touted for potential to lower medical costs

By Justine Irish D. Tabile
Reporter

LONDON-BASED health and wellness company Biodenix said it sees artificial intelligence (AI) as holding the potential to lower medical costs and reducing unnecessary deaths in the Philippines.

In an interview, Biodenix Chief Executive Officer James Richman told *BusinessWorld* that he is considering investments of up to $1 billion in technology-related healthcare investments in the Philippines over five years.

"That will be the maximum, at the moment, until we see how it goes," according to Mr. Richman who is also the chief investment officer of investment company JJ Richman.

He said that he aims to enhance and expand life by tapping AI to improve medical outcomes.

"The number one goal would be, of course, to increase efficiency and precision when it comes to decision-making by doctors," he said.

He said that globally, doctors are under pressure due to the number of patients they deal with, which often causes them to miss issues in x-rays and scans.

"They can't do it as fast as they'd like, so many patients wait too long; oftentimes, unfortunately, it ends up being fatal. So, we would like to minimize this error rate and increase the speed," he added.

Asked how technology can help reduce healthcare costs, he said "reducing costs has always been one of the biggest benefits. Before even AI was introduced, simple automation reduced costs in healthcare, and now with AI it can be done even more."

The savings are more apparent "if we implement it in the costliest of healthcare services, where the cost is high because things take a long time (due to much) manual processing done by expensive talent," he added.

He said that experts and doctors with years of experience are expensive because they need to manually look at papers, scans, and perform analyses one at a time.

"If we can increase efficiency by reducing the time it takes for them to make a decision or recommendation, then, of course, as a result, the costs will go down," he said.

He sees the technology being adopted in the largest Philippine hospitals within a year in the best case.

"That would be the ideal scenario. But because of policies and regulations, I don't think we will be able to do it sooner than three years," he added.

Mr. Richman said that he has set up meetings with big hospitals in Iloilo, Cebu, and Metro Manila.

"We have our own timelines, but we are up against regulators because we will be entering the health industry, and it involves people's lives," he said.

"So, it's like, even though we set up timelines, we can't always execute," he added.

IT-BPM, renewable energy considered potential targets for Spanish investors

THE Department of Trade and Industry (DTI) said it considers information technology (IT), renewable energy (RE), green metals, manufacturing, and agro-logistics to be potential targets for investment by Spanish companies.

"Given the Philippine government's ongoing economic reforms and sustained efforts to enhance the country's investment climate, the Trade Secretary invited Spanish businesses to explore growth and investment opportunities in the Philippines," the DTI said in a statement on Monday.

Secretary Alfredo E. Pascual pitched public-private partnership projects as well as the business process management (BPM) industry, apart from the aforementioned sectors.

Mr. Pascual said that Spain is major trade and investment partner, with bilateral trade totaling $1.2 billion in 2022.

"Secretary Pascual also expressed the Philippines' desire to increase its exports to Spain, particularly electronic equipment, tuna, bananas, and pineapples, crude coconut oil, and static converters," the DTI said.

Mr. Pascual met with Spanish Minister of Economy, Trade, and Business Carlos Cuerpo Caballero on the sidelines of the World Trade Organization's 13th Ministerial Conference.

"We are optimistic that our deepened collaboration in trade and investment ... will create a more open, transparent, and inclusive global trade environment for both the Philippines and Spain," Mr. Pascual said.

Rizal Commercial Banking Corp. Chief Economist Michael L. Ricafort said that the investments being solicited by Mr. Pascual are those most needed by the economy. — **Justine Irish D. Tabile**