Baguio turns to data science, AI to support smart city objectives

By Aubrey Rose A. Inosante

THE CITY GOVERNMENT of Baguio said it is implementing Project MINERVA (Monitoring of Indicators for Efficient Redevelopment and Value Assessment) to address urban decay and promote smart city development.

"With the project's ultimate goal of driving predictions and monitoring models for air quality, water quality, urban mobility, and tourism management, we're able to use technology to advance our goal of becoming a truly smart city by 2027," Baguio City Mayor Benjamin B. Magalong said during a turnover ceremony on April 15.

Mr. Magalong referenced a 2019 National Economic and Development Authority (NEDA) commissioned study on urban carrying capacity, which identified urban decay in the city.

The study warned that if not addressed within 25 years, the effects would be irreversible. Urban decay refers to the city regressing to a lack of employment opportunities, infrastructure, and resources.

In 2014, the World Health Organization rated Baguio's air, which had 49 micrograms of particulate matter (PM) per cubic meter, as the most polluted air in the Philippines.

Mr. Magalong said Baguio was the first city in the country to commit to reducing its carbon, greenhouse, and gas emissions by as much as 50% by 2050.

"With all these systems, we were able to significantly improve our air quality. MINERVA gave us the confidence to continue the pedestrianization program of Session Road," Mr. Magalong said regarding the criticized closure of a portion of Session Road during Sundays to ease pollution.

In a presentation by Project MINERVA Senior Data Scientist and Chief Data Specialist Christopher P. Monterola, he said almost all of Baguio's barangays had safe levels of PM 2.5 in 2023.

The LGU (local government unit) can forecast the impact of pollution for up to nine days using cross-convergent mapping.

Mr. Monterola noted that the tourism index score of Baguio, the summer capital of the country, is 4.0, higher than the score of the Philippines, which is 3.7.

Baguio has a daytime population of 380,000, with 600,000 tourists and workers, totaling up to 1.2 million, he said.

Mr. Monterola also said that air quality is compromised every time there is a spike in events and holidays but does not affect traffic, according to the nighttime imagery from the satellite used in the daily resolution of the project's urban carrying capacity in 2023.

Meanwhile, Mr. Magalong acknowledged the system's failure to detect the January diarrhea outbreak, attributing it to incorrectly installed sensors.

"University of the Philippines (UP), together with the Asian Institute of Management (AIM), was able to develop an improved sensor. We want to improve the air quality, the water quality so that our diarrhea outbreak will not happen again," he said on the focus of Project MINERVA pending Phase two.

These are gathered through 588 sensors handled and attached to taxis, jeepneys, and volunteers spread across the city.

The Project MINERVA utilizes artificial intelligence (AI) and data science. One implementation is its ability to detect parking violators, with cases ranging from 980 to 1050 on a daily basis.

"The inclusion of six local government units from the Cordillera Administrative Region, Lagayan in Abra, Santa Marcela in Apayao, Atok in Benguet, Tabuk in Calinca, Alfonso Lista in Ifugao, and Bapu in Mountain Province underscores our commitment of developing at least one pilot smart and sustainable community per province," Department of Science and Technology (DoST) Secretary Renato U. Solidum, Jr. said.

Mr. Solidum said the biometric-secured command center will be monitored and operated by city administrators and data scientists, focusing on various aspects of the city such as traffic patterns, mobility, environmental data, emergency response, and rescue efforts.

The P25-million project was funded by the DoST Philippine Council for Industry, Energy and Emerging Technologies Research and Development and developed by the Asian Institute of Management.

Hybrid work, new supply to drive 22% office vacancy rate this year — JLL

HYBRID working arrangements and new office spaces are expected to contribute to a 22% vacancy rate by the end of the year, according to JLL Philippines.

"By end 2024, what we forecast for vacancy levels is to reach around 22% and the reason for that is to expect an additional 500,000 square meters (sq.m.) of all stock on demand," JLL Philippines Head of Research and Strategic Consulting Jan-Loven C. de los Reyes said during a press briefing on Thursday last week.

"That would apply supply pressure on the market, considering that we have heavy vacancy levels that are in the double digits across cities," he added.

JLL said the first quarter vacancy level eased to 19.9% from 20.3% in the fourth quarter of 2024.

However, this vacancy level is still higher than 17.8% in 2023.

According to Mr. De los Reyes, overall, this was due to the reduction in new supply, coupled with a good take-up rate of around 75%. Manila had the highest vacancy rate at 38.1%, followed by Parañaque at 50.4%, and the lowest in Bonifacio Global City at 9.1%.

He also noted a "double whammy" that contributes to the high vacancy level, citing the exit of the Philippine Offshore Gaming Operators and the emergence of hybrid work arrangements.

JLL projected approximately 582,234 sq.m. of stock for the end of 2024, followed by 456,219 sq.m. in 2025, and 227,749 sq.m. in 2026. Additionally, there will be 43,066 sq.m. for both 2027 and 2028.

Regarding take-up, JLL noted a rise in leasing volumes to 149,172 sq.m. in the first quarter from 81,785 sq.m., attributed to the spillover of deals from the fourth quarter of 2023.

But year on year, this was slower and fell by 30% to 213,707 sq.m. The cities of Taguig and Makati led the transaction activities.

Per sector, the share of business process outsourcing (BPO) in total leasing activity stands at 68.9%, while corporate occupiers account for 31.1%.

Mr. De los Reyes said leasing volumes are anticipated to remain moderate over the next quarters but are still significantly below the levels seen during the pandemic.

He noted that the easing conditions are due to office demand being tempered by hybrid working.

"Select BPO companies have been releasing spaces but have not taken out additional spaces by improving their headcount," he said. "There are also going to be companies who are taking up space, keen to have employees return to the office, and this may come from the financial services segment."

For the first quarter, JLL said the released office space rose to 97,365 sq.m.

The BPO sector pullout in Muntinlupa City amounted to 3,400 sq.m., while the corporate occupier pullout in Taguig City totaled 1,000 sq.m.

JLL also said that Metro Manila's overall rents remained unchanged at P1,004 per sq.m. in the first quarter. — **Aubrey Rose A. Inosante**

SMHCC to expand with 9 hotels after Lanson Place Mall of Asia

SM HOTELS and Conventions Corp. (SMHCC) has announced plans to expand with nine new hotels following the official opening of Lanson Place Mall of Asia.

The company launched the 390-key hybrid hotel and residences in Pasay on April 24, in partnership with Hong Kong brand Lanson Place.

"We have nine hotels underway; ongoing construction includes two hotels in Cebu. One is the Park Inn by Radisson and the other is the Radisson Hotel," SMHCC Executive Vice-President Peggy E. Angeles said during a media briefing.

Ms. Angeles said SMHCC has allocated P16 billion for its capital expenditure for 2024.

She added that the planned hotels in Cebu are targeted to open in 2027, while the rest are scheduled to open in 2028 and beyond.

The company signed a master franchise agreement with Radisson Hotel Group last year to carry the Park Inn brand, Ms. Angeles said.

"Just last March, we also signed six other license agreements with Radisson. Five of which are Park Inns, and one is a Radisson Hotel," she added.

"We are introducing a service apartment slash hotel at the back of the Park Inn Clark, which is going to be at Radisson. So that will be a hybrid hotel in Clark," she added.

The company is also expanding its SMX Convention Center in Cebu, which aims to replicate the size of Mall of Asia in Pasay. "We also have an SMX in Iloilo, in Manila."

LANSON PLACE MALL OF ASIA

Lanson Place Mall of Asia is the 10th hotel property owned by SMHCC in the country.

"Today we stand before probably exceeded all expectations. What was once envisioned as the 250-room hotel has now blossomed into 390 hotel service apartment units," Ms. Angeles said.

The project started in 2019 but was delayed by the COVID-19 pandemic, which halted the work of workers and the supply of construction materials.

"Our initial investment was multiplied, reaching P3.6 billion," she added.

The hotel offers serviced residence rooms ranging from superior studio, deluxe studios, one-bedroom panorama suite, two-bedroom courtyard suite, executive suite, and more. Those rooms range from 38 to 77 square meters.

Some of the amenities include a rooftop infinity pool, fitness center, resident's lounge, and a grand ballroom on the second floor.

Meanwhile, meeting rooms on the third floor cater to more intimate events with a view of Manila Bay.

Its proximity to SMX Convention Center Manila makes it ideal for business travelers, and those in need of meetings, incentives, conferences, and exhibitions (MICE) facilities, Lanson Place Mall of Asia Vice-President and General Manager Laurent Boisdron said.

Lanson Place Mall of Asia Chief Executive Officer Michael Hobson said the company looked at the supply and demand, particularly in Pasay, and saw a need for a landscaped place similar to what they have developed.

"A very personal guest experience comes from really understanding your customers and understanding their needs, wants, and preferences," Mr. Hobson said on the property's edge over its competitors.

He also added that its partnership with the SM Group was a big deciding factor in being able to partner with a "solid" owner.

Ms. Angeles said the company used to work with Lanson Group in Hong Kong and it started courting SM for possible projects and added if the company intends to expand its service department portfolio, Lanson's "foot is already in the door."

The Lanson Place, under Hong Kong-listed Wing Tai Properties Ltd., manages eight properties in Hong Kong, Shanghai, Chengdu, Kuala Lumpur, Singapore, and anticipates an opening in Melbourne in September. — **Aubrey Rose A. Inosante**

Turnover of Sierra Valley's first 2 towers eyed for 2025

RLC RESIDENCES said it expects the turnover of the first two towers of its four-tower Sierra Valley Gardens (SVG) project – Phase 1 in Rizal by 2025.

The Sierra Valley Gardens in Cainta is a high-rise residential project that spans three phases along Ortigas Avenue Extension.

"We expect turnover to begin by mid-2025," said Robinson Land Corp. Chief Marketing Officer John Richard B. Sotelo in an e-mailed statement on Monday, referring to the first two buildings of Phase 1 launched in 2020.

Mr. Sotelo also said that Buildings 3 and 4 of Phase 1 are "on track as per the original construction schedule" and are almost sold out.

RLC Residences plans to launch Phase 2 and Phase 3 according to market demand and readiness, he added.

In a media release last week, the company said it conducted SVG's topping-off ceremony for the first two buildings.

The company said the project was its fastest-selling condominium property due to its location inside the Sierra Valley Estate in Cainta, Rizal, minutes away from Ortigas central business district.

"There are so many things to look forward to in this project — the convenience of living in well-designed units that they can call home, where the amenities for leisure, recreation, and wellness are at their fingertips," RLC Residence Marketing Head and Chief Integration Officer Karen Cesario said.

Sierra Valley Gardens is described as the first smart suburban community in Cainta, Rizal.

It offers studio to two-bedroom units with balcony options.

The amenities include the clubhouse façade, function room, gym, children's playroom, jogging trail, adult and children swimming pool, multi-purpose court, and outdoor play area. — **Aubrey Rose A. Inosante**

Budget funding sought for food imports to serve as price stabilization 'buffer'

THE Department of Agriculture (DA) asked legislators on Monday for a P513-billion budget to import farm products that it plans to tap as a reserve to bring under control the widening gap between farmgate and retail prices.

The DA proposed maintaining a reserve equivalent to 10 days' worth of demand for key commodities.

"Our problem is not only a short-term issue but a long-term, systemic issue," DA Policy Research Service Director Jerome D. Bunyi told in a House Trade and Industry Committee hearing. "We have a proposal allowing us to have a buffer fund, allowing us to procure and import (goods)," he added.

House legislators were looking into the wide gap between farmgate and retail prices of basic goods.

To solve price discrepancies, Perpetua Werlina C. Reyes-Lim, a division chief for enforcement at the Department of Trade and Industry's Fair Trade Enforcement Bureau, said such a reserve of commodities has legal authorization from the Price Act.

"There is a provision in the Price Act that an agency can implement an appropriation fund to have a buffer fund," she said. "This would allow imports, especially for the DA, because the entry of more stocks (of basic goods) would reduce prices."

The commodity reserve is designed to deter hoarding, she added.

The divergence of farmgate and retail prices was noted in the DA's report to the panel.

"The presentation clearly shows that farmgate prices are too low compared to retail prices," Surigao del Sur Rep. Romeo S. Momo, Sr. said.

"Processing costs, marketing margins, and consumer preferences (influence) retail pricing," Junibert E. de Sagun, DA director for agribusiness and marketing assistance services, said.

Farmgate prices are mostly influenced by "supply and demand dynamics, weather conditions, transportation costs, and marketing competition," he added.

Steven T. Cua, Philippine Amalgamated Supermarkets Association executive director, said retailers are only putting an "8%" gross margin for "fast-moving" produce and a "10%" margin for refrigerated goods, to account for electricity costs.

The divergence in the prices indicate that "someone in the middle is earning," Iloilo Rep. Ferjenel G. Biron, who presided over the panel, said.

The House is planning on inviting traders and importers to explain the price disparities, Speaker and Leyte Rep. Ferdinand Martin G. Romualdez said in a statement. — **Kenneth Christiane L. Basilio**

PHL 2023 meat imports fell by 16% on higher domestic production — FAO

PHILIPPINE meat imports declined 16% in 2023 in the face of higher domestic production, according to the Food and Agriculture Organization (FAO), an agency of the United Nations.

In a report, the FAO said that imports last year amounted to 1.05 million metric tons (MT), against 1.25 million MT in 2022.

"The import drop in the Philippines was driven by higher inventories and an upturn in domestic output, despite the extension (of favorable) tariff rates on pig meat imports," it added.

Last year, the President signed Executive Order No. 50, which extended the lower tariff regime on pork, rice, and corn.

Pork tariffs were retained at 15% for shipments within the minimum access volume (MAV) and 25% for those exceeding the MAV.

Domestic production of meat increased 3.5% in 2023 to 2.99 million MT.

Pork production rose 2.5% to 1.25 million MT. Imports declined to 388 thousand MT from 521 thousand MT in 2022.

The National Federation of Hog Farmers, Inc. has estimated a 3% increase in domestic hog production for 2024.

Meanwhile, the FAO said global trade in meat and meat products dropped 1.5% to 40.5 million MT last year.

"(In terms of) trade performance at the country level, Japan registered the largest volume drop in imports, followed by the Philippines and the US," it added. — **Adrian H. Halili**