

Philippine Stock Exchange index (PSEi)					6,343.10	▼153.22 PTS.	▼2.35%	MONDAY, JANUARY 13, 2025 BusinessWorld	
PSEi MEMBER STOCKS									
AC Ayala Corp. P583.00 -P30.00 -4.89%	ACEN ACEN Corp. P3.80 -P0.14 -3.55%	AEV Aboitiz Equity Ventures, Inc. P33.50 -P1.50 -4.29%	AGI Alliance Global Group, Inc. P8.74 -P0.06 -0.68%	ALI Ayala Land, Inc. P25.25 -P1.25 -4.72%	BDO BDO Unibank, Inc. P146.70 -P0.80 -0.54%	BLOOM Bloomerry Resorts Corp. P4.07 -P0.12 -2.86%	BPI Bank of the Philippine Islands P118.10 -P2.80 -2.32%	CNPF Century Pacific Food, Inc. P44.15 -P0.35 -0.79%	CNVRG Converge ICT Solutions, Inc. P16.10 +P0.10 +0.63%
DMC DMCI Holdings, Inc. P10.86 -P0.04 -0.37%	EMI Emperador, Inc. P17.98 +P0.08 +0.45%	GLO Globe Telecom, Inc. P2,270.00 -P30.00 -1.30%	GTCAP GT Capital Holdings, Inc. P593.00 -P7.00 -1.17%	ICT International Container Terminal Services, Inc. P392.20 -P6.80 -1.70%	JFC Jollibee Foods Corp. P255.00 -P7.40 -2.82%	JGS JG Summit Holdings, Inc. P19.32 -P0.26 -1.33%	LTG LT Group, Inc. P10.66 -P0.08 -0.74%	MBT Metropolitan Bank & Trust Co. P71.10 -P2.20 -3.00%	MER Manila Electric Co. P484.00 -P1.00 -0.21%
MONDE Monde Nissin Corp. P7.62 -P0.23 -2.93%	NIKL Nickel Asia Corp. P3.16 -P0.05 -1.56%	PGOLD Puregold Price Club, Inc. P28.80 -P0.90 -3.03%	SCC Semirara Mining and Power Corp. P35.00 +P0.25 +0.72%	SM SM Investments Corp. P834.00 -P36.00 -4.14%	SMC San Miguel Corp. P85.00 ---	SMPH SM Prime Holdings, Inc. P23.80 -P0.30 -1.24%	TEL PLDT Inc. P1,294.00 -P31.00 -2.34%	URC Universal Robina Corp. P75.00 -P3.75 -4.76%	WLCON Wilcon Depot, Inc. P10.50 -P0.04 -0.38%

Listed companies must disclose external auditor fees — SEC

THE SECURITIES and Exchange Commission (SEC) is requiring publicly listed companies (PLCs) and other public interest entities to disclose fees paid to their external auditors to improve transparency.

The corporate regulator issued Memorandum Circular No. 18 on Dec. 26 last year. This circular includes rules on disclosing fee-related information of external auditors, the SEC said in an e-mailed statement on Monday.

“To enhance transparency relevant to external auditors’ independence and align with the commission’s rules on fee disclosure requirements with the Code of Ethics for Professional Accountants duly adopted in the Philippines, the commission resolved to issue these guidelines,” the SEC said.

The guidelines will apply to the annual financial statements (AFS) of covered entities for the period ending Dec. 31, 2024, onwards.

Entities covered by the guidelines include PLCs, issuers that have sold a class of securities pursuant to a registration under Republic Act No. 8799 or the Securities Regulation Code (SRC), and public companies or firms with assets of at least P50 million and 200 or more holders of

at least 100 shares of a class of equity securities each.

The rules also apply to companies filing their financial statements for the issuance of any class of instruments in a public market; holders of secondary licenses issued by the SEC, Bangko Sentral ng Pilipinas, and Insurance Commission; and other corporations that the SEC may consider in the future as public interest entities.

Under the guidelines, all covered companies should present fee-related information in a two-year comparative format as a supplement to their AFS.

“The required disclosure covers fees paid or payable to, or as agreed with, the external auditor/audit firm and network firms for the audit of financial statements on which the external auditor expresses an opinion,” the SEC said.

Fees charged to the company and its controlled entities, consolidated in the financial statements, will be presented in a two-year comparative format.

The new disclosure guidelines also cover fees charged to any other related entities directly or indirectly controlled by a covered company for services by the external auditor/audit firm or a network firm.



ALL COVERED companies should present fee-related information in a two-year comparative format as a supplement to their annual financial statements.

If applicable, the guidelines also state that total fees received by the external auditor/audit firm from the covered company that represent over 15% of the total fees received by the external auditor for two consecutive years, and the year this situation first arose, should also be disclosed in the two-year comparative format.

Meanwhile, the SEC said covered companies are not required to adhere to the guidelines if the information relates to a parent entity or an entity directly or indirectly wholly owned by another public interest entity that is also preparing consolidated financial statements which already include the supplementary schedule.

The SEC warned that those who fail to comply with the guidelines will face penalties as prescribed under the Revised SRC Rule 68 and the commission's consolidated scale of fines and penalties.

“This is a commendable measure to enable regulators and the investing public to better assess the independence of external auditors,” China Bank Capital Corp. Managing Director Juan Paolo E. Colet said in a Viber message.

“The hope is that higher transparency will strengthen corporate governance and help address ethical concerns around fee dependency,” he added. — **Revin Mikhael D. Ochave**

Cebu Landmasters enters co-working space market

LISTED property developer Cebu Landmasters, Inc. (CLI) has entered the co-working space market with the launch of WorkNook in Cebu City.

WorkNook caters to freelancers, small businesses, and students, CLI said in a regulatory filing on Monday.

CLI's first co-working space is located at the Base Line Center mixed-use development along Juana Osmeña Street.

WorkNook features private offices for teams and groups, co-working spaces for individuals, and meeting rooms for discussions or presentations.

Citing a study by digital communications technology company Cisco, CLI said that 37% of Filipino workers feel that traditional office setups limit their potential, underscoring the need for co-working spaces.

“Our goal is to support professionals seeking alternatives to working from home in a modern, positive work environment,” CLI Senior Vice-President for Marketing and Leasing Joanna Marie Soberano-Bergundthal said.

“WorkNook reflects our vision of creating spaces where

today’s professionals can thrive,” she added.

CLI said the flexible workspaces are priced at introductory rates starting at P250 for half a day, P350 for a whole day, P1,800 weekly, and P5,500 monthly.

The private office spaces are available for P9,000 monthly, dedicated seats at P7,500 monthly, and meeting rooms of various sizes for four-hour use designed for professionals and teams.

CLI said the launch of WorkNook will contribute an additional 32,196 square meters (sq.m.) of leasable space to the company’s pipeline.

The property developer saw a 47% increase in leasing revenue from January to September 2024, reaching P144 million, led by 9,219 sq.m. of new leasable space in its portfolio.

WorkNook is open Monday to Saturday, from 8:00 AM to 6:00 PM, with 24/7 access to private offices.

Meanwhile, CLI said in a separate regulatory filing that the Securities and Exchange Commission on Jan. 10 approved a move to increase the number of its board directors to 11 from 9. — **Revin Mikhael D. Ochave**

PHL real estate to soar with major infrastructure projects — analysts

By Aubrey Rose A. Inosante
Reporter

THE PHILIPPINE government's ambitious infrastructure program is expected to reshape the real estate market, driving up land values and office lease rates, according to analysts.

“Massive public investments in infrastructure should stoke Philippine property, benefiting developers with condominium projects across the country,” Joey Roi Bondoc, director and head of research at property consultancy group Colliers Philippines, said in an interview with *BusinessWorld*.

“Buyers of luxury projects will likely gravitate towards residential developments near public infrastructure projects,” he added.

Transport infrastructure projects, such as the Metro Manila Subway, expected to be completed in 2028, are seen to benefit major central business districts (CBDs) like Quezon City, Ortigas, Fort Bonifacio, Pasay, and Valenzuela.

Other projects awaited by property developers include the Mass Rapid Transit (MRT)-7 and 4, the Manila-Clark Railway, the New Manila International Airport in Bulacan, and the Light Rail Transit Cavite Extension Phase 2. The Cavite-Batangas Expressway, the Central Luzon Link Expressway, the Bataan-Cavite Bridge, and the rehabilitation of the Ninoy Aquino International Airport are also in the pipeline.

“Proximity to infrastructure is a normal amenity these days, and developers can command premium prices and rents for properties situated near infra projects,” Mr. Bondoc said.

He noted that from 2016 to 2023, house and lot prices in these regions rose by an average of 3.6 to 7.2% per annum.

Meanwhile, lot-only developments saw price increases of between 6.7% and 15.4% per year during the same period.

For the office market, Mr. Bondoc said the increase in rents and values of properties near new transportation hinges on the attractiveness of locations to tenants and the current vacancy rates.

“Aboitiz InfraCapital's Economic Estates and Aboitiz Land's residential communities are strategically positioned to capitalize on the transformative effects of new infrastructure developments,” Aboitiz Land, Inc. said in an e-mail to *BusinessWorld*.

Aboitiz InfraCapital, the infrastructure arm of the Aboitiz Group, includes LIMA Estate in Batangas, TARI Estate in Tarlac, West Cebu Estate in Cebu, and the Mactan Economic Zone Processing 2 in Lapu-Lapu City in its roster of economic estates.

The firm said the estates are designed as “industrial-anchored townships” strategically linked to essential infrastructure like major highways, airports, and seaports, ensuring efficient supply chains and strong connectivity.

For example, LIMA Estate is located near the Southern Tagalog Arterial Road (STAR) tollway and will soon benefit from the upcoming Southern Luzon Expressway (SLEX) Toll Road (TR) 4 project, reinforcing its status as Southern Luzon's leading industrial and business hub.

Similarly, the TARI Estate is accessible through the North Luzon Expressway (NLEX), Subic-Clark-Tarlac Expressway (SCTEX), Tarlac-Pangasinan-La Union Expressway (TPLEX), and Central Luzon Link Expressway (CLLEX).

“Enhanced connectivity through infrastructure projects like the Metro Manila Skyway Stage 3, SLEX TR4, TPLEX,

CLLEX, and the NLEX-SLEX Connector Road has significantly boosted demand and property values across our developments,” Aboitiz Land said.

It cited that the 800-hectare LIMA Estate's location and accessibility have driven growth, with housing developments such as The Villages at Lipa seeing a 145% value appreciation since its launch in 2019.

Masterplanned communities Ajoya Cabanatuan and Ajoya Capas have seen value appreciation of 181% and 86%, respectively, since their launches in 2018, it said.

“Through strategic investments in infrastructure, sustainable housing solutions, and long-term planning, we continue to support locators, property seekers, and communities — ensuring ongoing growth and expansion beyond today's developments,” the firm said.

The efforts are all aligned with the Build, Better, More agenda, which targets infrastructure investment of 5% to 6% of the country's gross domestic product, it said.

This infrastructure flagship program is set to roll out 186 infrastructure flagship projects with a combined value of P9.6 trillion, or approximately \$163 billion.

Nigel Paul C. Villarete, a senior adviser on public-private partnerships at Libra Konsult, Inc., said that the traditional real estate mantra of “location, location, location” is not entirely accurate. Instead, a more fitting mantra would be “access, access, access,” he said, noting that from a planning perspective, “land use and transport” are inherently linked.

Mr. Villarete also said the infrastructure projects have a “turbocharger” role in promoting sustainable urban growth in the country.

He noted the Cordova-Cebu Link Expressway (CCLEX), which has boosted not only the linked local government units of Cebu City and Cordova but also the entire Metropolitan Cebu and Central Visayas (Region VII) economies.

Meanwhile, DMCI Homes, Inc. President Alfredo R. Austria said building transit-oriented developments (TODs) benefits not only the value of properties but also future residents of housing developments.

“Think about it 10 years or five years from now. You can see the traffic there; that's a lot of vehicles added every year,” he told *BusinessWorld*.

Mr. Austria also noted that Metro Manila is one of the densest cities in the world and cannot survive without a good mass transit system.

“We have a lot of developments near train stations, so transit-oriented. This one, [The Crestmont], then there's Erin Heights, the Infina [Towers]. There are a lot of them. It's all within 300 meters [train stations],” he said.

The Crestmont condominium is located along Panay Avenue in Quezon City, steps away from the MRT-3 Quezon Avenue Station, and accessible via major road networks like EDSA.

DMCI said the property's future residents are expected to benefit from ongoing infrastructure projects such as the Metro Manila Subway Project, the MRT Line 7, and the Unified Grand Central Station in North Edsa, Quezon City.

Meanwhile, the Infina Towers along Aurora Boulevard is near the Anonas Station of the upcoming Metro Manila Subway project, indicating the area's significant investment potential.

He also said that similar to other major cities globally, buying property near a train station, the value increase is “contagious.”

Regarding transit-oriented developments, Mr. Bondoc said transit-oriented retail is now becoming the norm.

“Beyond 2025, we see the development of more masterplanned communities that are developed near public projects such as airports, railways, bus rapid transits, and toll roads,” he said.

The consultancy group sees property firms banking on the capital appreciation potential of their residential projects that will be developed near these “game-changing infrastructure projects.”

Colliers recommends developers align their future residential developments in provinces with upcoming infrastructure such as Cavite, Laguna, Bulacan, Tarlac, Pampanga, Cebu, and Davao, as these public projects have the potential to raise land values and property prices.

“Among the developers likely to benefit from being near public projects are Rockwell Land, Inc., Megaworld Corp., Ayala Land, Inc., Robinsons Land Corp., Sta. Lucia Land, Inc., Vista Land & Lifescapes, Inc., Brittany Corp., Shang Properties, Inc., etc.,” Mr. Bondoc said.

He added that property firms should further ramp up their presence near transportation projects or even build their own TODs to take advantage of the property sector's growth post-pandemic.

“For both office and residential segments, one thing is certain: developers' strategies even beyond 2025 are likely to be dictated by the government's infrastructure push,” Mr. Bondoc said.

He said the firm sees infrastructure projects eventually raising the attractiveness of office spaces and their lease rates.

However, the consultancy company remains cautious about the overall outlook for rental appreciation potential, especially as there are about 2.6 million square meters of available office space across Metro Manila.

