Office vacancies may ease despite supply surge — SKF

METRO MANILA is expected to see a surge in office supply over the next five years as projects launched during the pandemic are completed, but vacancy rates are projected to decline due to sustained demand from the business process outsourcing (BPO) sector, according to property consultancy firm Santos Knight Frank (SKF).

"Any projects that were thought of, or announced during the pandemic years of 2020 to 2022, will have been completed by the time we hit 2030," SKF Senior Director Morgan McGilvray said during a briefing on Monday.

New office space in Metro Manila is expected to average 754,598 square meters (sq.m.) through 2030, SKF said.

As of end-June, 158,147 sq.m. of new office supply entered the Metro Manila market, and another 403,770 sq.m. of new office space will be completed in the second half, SKF said. This brings Metro Manila's total office supply to 8.8 million sq.m.

Metro Manila's office vacancy rate rose to 22% in the six-month period from 18.9% a year earlier, Mr. McGilvray said.

By submarket, the highest level of available supply was recorded in Taguig at 2.4 million sq.m., followed by Ortigas (1.6 million sq.m.), Makati (1.5 million sq.m.), Quezon City (1.4 million sq.m.), the Bay Area (1.4 million sq.m.), and Alabang (500,000 sq.m.).

"For the office sector, we're seeing a lot more activity in the first half of 2025 than we did last year," SKF Chairman and Chief Executive Officer Rick Santos said during the briefing.

"We are still seeing BPO expansion — we are seeing sophisticated voice call centers also still expanding, and that's in lockstep with what we're seeing in India as well."

Net absorption in the first half stood at 192,000 sq.m., higher than the 101,000 sq.m. in the previous quarter, driven by move-ins and expansions in the BPO sector, SKF said.

SKF expects office vacancy to decline through 2030.

"Maybe the first half of 2025 is an exception because we saw the last group of POGOs (Philippine offshore gaming operators) move out," Mr. McGilvray said. "But if we just look at the numbers for a moment, it looks like we might have 400,000 sq.m. of net absorption this year... if we continue to have that rate, that should balance out pretty well with the supply coming on board."

"[Vacancy through] 2030 is a long way to predict in advance, but the numbers right now indicate vacancy might continue to actually trickle down over the coming years," he added.

Looking ahead, the BPO sector — especially healthcare BPOs — is expected to drive demand in the Metro Manila office market, Mr. McGilvray said.

"We do sense that there's a lot more healthcare BPOs especially that can and will come to the Philippines... because one or two [companies] enter the market, they have a good success story, their competitors notice, and then their competitors also follow them into the market," he said on the sidelines of the briefing.

"That's mostly what we've been seeing as the best demand driver lately, and we don't necessarily expect that to slow down anytime soon."

Companies looking to expand their office space still prioritize accessibility to public transportation, as well as the environmental sustainability and newness of buildings, Mr. McGilvray said.

According to Mr. Santos, today's global business environment has become "the most volatile we've ever seen," driven by the United States' shifting tariff policies and ongoing geopolitical tensions in the Middle East and Europe.

"So definitely, we're seeing a lot of volatility on the geopolitical side. However, we see that as an opportunity for the Philippines, and obviously for the real estate market."

The Philippines' much-lower reciprocal tariffs are expected to attract foreign manufacturing firms looking to diversify their operations, Mr. Santos said.

The US in April imposed a 17% tariff on Philippine goods — the second lowest among Association of Southeast Asian Nations countries.

While the reciprocal tariffs have been paused for 90 days until July 9, the baseline 10% tariff remains in place.

"The Philippines is also poised to benefit from the diversification in the manufacturing sector, and a lot of manufacturing companies in ASEAN countries are looking at the Philippines now," Mr. Santos said. — **Beatriz Marie D. Cruz**

RLC to open first Grand Summit Hotel in Luzon by 2027

GOKONGWEI-LED Robinsons Land Corp. (RLC), through its hospitality unit Robinsons Hotels and Resorts (RHR), will open the first hotel under its upscale lifestyle Grand Summit brand in Luzon by 2027.

In a statement on Monday, RLC said the planned Grand Summit Pangasinan — located along the Dagupan-Urdaneta Road in Calasiao — will break ground on July 7. The hotel will cater to both leisure and business travelers.

The seven-story hotel will be integrated into the Robinsons Pangasinan Mall complex. It will feature 100 rooms, including 93 standard rooms, four junior suites, and three executive suites ranging from 38 to 116 square meters in size.

Amenities will include an all-day dining restaurant, lobby lounge, pool bar and outdoor dining area, ballroom, meeting rooms, gym, spa, and outdoor swimming pool.

The upcoming hotel is positioned between Dagupan City, Lingayen, and San Carlos City, offering a central base for exploring Pangasinan and Northern Luzon. It joins the Grand Summit portfolio, which includes the flagship property in General Santos.

Grand Summit is an upscale lifestyle hotel brand designed for local and international travelers seeking comfort, culture, and authentic experiences.

According to RLC, the launch of Grand Summit Pangasinan reinforces its presence in Northern Luzon, where it has investments across multiple sectors.

"Our developments across Northern and Central Luzon reflect RLC's long-term vision of inclusive growth. By seamlessly integrating our businesses across retail, residential, hospitality, offices, and logistics, we aim to foster thriving communities and contribute to broader national progress," RLC President and Chief Executive Officer Mybelle V. Aragon-GoBio said.

"The expansion of our Grand Summit brand is a key part of our growing hotel portfolio and further bolsters RLC's leadership position in the Philippine hospitality sector," she added.

RLC's footprint in Northern Luzon includes Robinsons Malls in Pampanga, Tarlac, La Union, and Ilocos Norte; residential communities in Ilocos Norte; and office spaces in Ilocos Norte, Tarlac, and Nueva Ecija.

It is also developing the 216-hectare Montclair Destination Estate in Porac, Pampanga, a mixed-use estate featuring homes, offices, retail hubs, open spaces, hotels, and a logistics and industrial park under Robinsons Logistix and Industrials, Inc.

"Northern Luzon continues to evolve as a dynamic hub for travel and commerce, and Calasiao stands out as a place where local character and regional connectivity come together," RLC Senior Vice-President Barun Jolly said. — **Revin Mikhael D. Ochave**

Century Pacific eyes double-digit growth despite US tariffs

LISTED food and beverage manufacturer Century Pacific Food, Inc. (CNPF) is maintaining its target of double-digit growth in revenue and profit this year, even as its export business has begun to feel the impact of tariffs imposed by the United States.

"Looking ahead, we remain cautiously optimistic in our full-year outlook and continue to target double-digit growth across topline and bottomline," CNPF Executive Chairman Christopher T. Po said during the company's annual stockholders' meeting on Monday.

Mr. Po said the company has earmarked P4 billion to P5 billion in capital expenditure this year to support the growth of its business segments.

He added that CNPF plans to expand the capacity of its dairy, tuna, and coconut water businesses.

During a separate media briefing, CNPF President and Chief Executive Officer Teodoro Alexander T. Po said the tariffs have already affected the company's export operations.

"It's actually already affecting our US businesses because there's already a 10% minimum straight tariff being imposed on exports to the US. Our significant exports of coconut water to the US are already affected by the US tariffs, and some of our tuna original equipment manufacturer and branded exports are also affected," he said.

"For now, there is a combination of pass-on and absorption that's happening in the market. But it's quite volatile and unstable at this point," he added.

The US imposed a 17% reciprocal tariff on Philippine goods on April 2, but the measure was suspended for 90 days pending negotiations until July 9. In the interim, most trading partners were charged a provisional 10% tariff. — **Revin Mikhael D. Ochave**

Konektadong Pinoy's lighter regime deemed attractive to tech investors

THE Konektadong Pinoy bill is expected to demonstrate a simplified regulatory regime to foreign investors that will serve to attract investors in digital infrastructure, the Financial Executives Institute of the Philippines (FINEX).

FINEX said on Monday that the bill will address long-standing gaps in digital infrastructure by, among others, removing the congressional franchise requirement for internet service providers.

"The bill sends a strong signal to global technology firms and hyperscalers looking to expand in Southeast Asia. Streamlining the regulatory environment could help the Philippines attract foreign investment in data centers, cloud infrastructure, and digital services, critical enablers for a modern, competitive economy," FINEX said.

The Konektadong Pinoy bill is now with the Palace for President Ferdinand R. Marcos, Jr.'s signature. It had been ratified by legislators in both chambers of Congress.

The measure also relieves new data transmission entrants of the need to obtain a certificate of public convenience and necessity.

The Philippine Chamber of Telecommunications Operators has declared its opposition to the bill on cybersecurity grounds.

The measure also directs the government to incentivize participants in the data transmission industry to invest in, adopt, roll out, implement, establish, own, maintain, operate, or utilize new and next-generation technologies, with priority given to unserved or underserved areas.

"The bill sends a strong signal to global technology firms and hyperscalers looking to expand in Southeast Asia. Streamlining the regulatory environment could help the Philippines attract foreign investment in data centers, cloud infrastructure, and digital services, critical enablers for a modern, competitive economy," FINEX said.

FINEX said it also supports reforms that align policy with inclusive growth and encourages reform and upgrade of digital transformation.

"Furthermore, the shift away from legislative franchises must be complemented by clear and transparent regulatory processes to prevent fragmentation and ensure a level playing field," it said. — **Ashley Erika O. Jose**

Low inflation masks price hikes at *sari-sari* stores, study finds

PRICES of various goods sold in mom-and-pop outlets, known in the Philippines as *sari-sari* stores, continue to increase despite a decline in inflation, a study by tech startup Packworks found.

"Key findings include significant retail price increases across the board for items like baby oil and baby powder," Packworks said in a statement.

In particular, it said that a 50-milliliter bottle of Johnson's regular baby oil increased 17% to P49 in 2025 compared to 2023 levels.

It added that prices of 100-gram packs of Tender Care baby powder also rose 25% to P50.

"These price hikes were observed in at least five regions: Ilocos Region (Region I), Cagayan Valley (Region II), Central Luzon (Region III), Mimaropa (Region IV-B), and Bicol Region (Region V)," it added.

Packworks also found price increases of at least 13% in 11 confectionery and snack stock-keeping units.

These include 50-gram Lala Fish Crackers Classic, which saw a 27% increase to P23, and 150-gram Fres candy, which rose 16% to P42.

Price increases were also seen in premium rice, which rose to P295 per five-kilogram pack.

Packworks Chief Data Officer Andoy Montiel said the study reveals how a slight increase in the products' wholesale purchase price affects end-consumer pricing.

"*Sari-sari* stores are known for their thin profit margins. While they operate as viable businesses, they also serve as extended pantries and community hubs for their neighbors," he said.

"Even a slight increase in wholesale prices reveals how vulnerable micro-retailers are to cost shifts upstream. This creates a ripple effect, especially in low-income communities where these stores are the primary source of daily essentials," he added.

According to Packworks, the price increases coincide with the declining inflation rate, which hit a low of 1.3% in May.

"Our latest analysis reveals gaps between national macroeconomic reports and the grassroots micro-retail reality," Packworks Chief Executive Officer Bing Tan said. — **Justine Irish D. Tabile**

Nonbank financial institutions remain 'cautious' about sustainability practices

NEARLY HALF of nonbank financial institutions (NBFIs) were evaluated as "cautious practitioners" of green finance, the Securities and Exchange Commission (SEC) said.

NBFIs classified as such have made moderate progress in green finance integration but remain risk-averse and selective in scaling their commitments.

To address this, a panel convened during the SEC's Sustainability Week pointed to the need for unlocking investment in nature-based solutions and the transition of NBFIs toward more proactive, sustainable finance practices.

The SEC is pressing for the integration of sustainability in the financial system, steering companies into adopting sustainable practices.

SEC Commissioner McJill Bryant T. Fernandez said NBFIs play an important role in enabling economic transformation.

"As financial intermediaries and facilitators of investment flows, NBFIs are uniquely positioned to catalyze change — not just in markets, but in the communities and ecosystems that need it most," he said.

SEC Chairman Francis Ed. Lim said sustainability must be a core principle in the financial system, through the observance of the Philippine Sustainable Finance Taxonomy Guidelines (SFTG).

"The real value of the Philippine SFTG lies in how well we apply it — in structuring financial products, shaping disclosures, guiding investment decisions, and delivering real-world impact," Mr. Lim said in a statement on Monday.

Issued in February last year, the SFTG provides a framework for evaluating the environmental and social sustainability of economic activities. It also presents a "simplified approach" to assessing micro, small, and medium enterprises for financing.

Sustainability Week featured a training session on the SFTG, and capacity-building session on sustainable investments for NBFIs.

Separately, the SEC issued cease-and-desist orders against Bravo Zulo Romeo Lending Corp. (BZR Lending) for operating an unauthorized lending business, and Magic Peso for illegally operating an online lending platform (OLP) and unfair debt collection practices.

The SEC Financing and Lending Companies department found that the Magic Peso OLP is owned and operated by BZR Lending. The cease-and-desist orders were issued after complaints from borrowers regarding Magic Peso's alleged unfair collection processes.

BZR Lending also failed to file a disclosure regarding any OLP operations despite being registered with the SEC as a lending company, the regulator said.

SEC Memorandum Circular (MC) No. 19 issued in 2019 requires the full disclosure and reporting requirements for financing and lending companies using OLPs. It also requires OLPs to disclose information such as their corporate name, SEC registration number, and certificate of authority to operate in a portion of their platforms.

Magic Peso's operations also violate the moratorium imposed on new OLPs in November 2021 as outlined in SEC MC No. 10. — **Revin Mikhael D. Ochave**

Rice-processing system expected to benefit 6,000 Nueva Ecija farmers

THE Department of Agriculture (DA) said a P64-million rice processing system opened to serve about 6,000 rice farmers in Nueva Ecija.

The system, which was funded through the Rice Competitiveness Enhancement Fund, consists of two recirculating dryers and a multi-stage mill that can handle 2-3 metric tons of palay (unmilled rice) per hour, the DA said in a statement.

"These assets will serve more than 6,000 rice farmers cultivating nearly 10,000 hectares of rice land in Nueva Ecija, enabling them to mill, package, and market their own produce — dramatically improving quality control and profit potential while slashing post-harvest losses," the DA said.

The package also includes a four-wheel tractor, 16 combine harvesters, and a cultivator valued at P31.1 million.

Meanwhile, the DA also inaugurated 16 mobile soil laboratories — one for each region — designed to bring agronomic science closer to the farms.

Since its pilot release in December in Region III, the first lab has served over 1,500 farmers in 42 municipalities, issuing 362 soil-health cards and five fertility maps, the DA said. — **Kyle Aristophere T. Atienza**