

Philippine Stock Exchange index (PSEi)

6,463.20

▼ 41.14 PTS.

▼ 0.63%

BusinessWorld

THURSDAY, JULY 10, 2025

PSEi MEMBER STOCKS

AC Ayala Corp. P591.00 -P4.00 -0.67%	ACEN ACEN Corp. P2.60 -P0.02 -0.76%	AEV Aboitiz Equity Ventures, Inc. P33.75 -P1.05 -3.02%	AGI Alliance Global Group, Inc. P8.51 -P0.13 -1.50%	ALI Ayala Land, Inc. P27.35 -P0.95 -3.36%	AREIT AREIT, Inc. P41.00 -P0.20 -0.49%	BDO BDO Unibank, Inc. P152.90 -P0.50 -0.33%	BLOOM Bloomberry Resorts Corp. P4.67 -P0.09 -1.89%	BPI Bank of the Philippines Islands P120.00 -P3.00 -2.44%	CBC China Banking Corp. P64.95 -P0.45 -0.69%
CNPF Century Pacific Food, Inc. P38.50 -P0.65 -1.66%	CNVRG Converge ICT Solutions, Inc. P18.20 +P0.20 +1.11%	DMC DMCI Holdings, Inc. P10.76 -P0.24 -2.18%	EMI Emperador, Inc. P15.02 -P0.04 -0.27%	GLO Globe Telecom, Inc. P1,660.00 +P20.00 +1.22%	GTCAP GT Capital Holdings, Inc. P675.00 +P10.50 +1.58%	ICT International Container Terminal Services, Inc. P445.00 +P4.00 +0.91%	JFC Jollibee Foods Corp. P228.00 -P1.00 -0.44%	JGS JG Summit Holdings, Inc. P20.80 +P0.25 +1.22%	LTG LT Group, Inc. P13.18 -P0.02 -0.15%
MBT Metropolitan Bank & Trust Co. P72.30 -P1.50 -2.03%	MER Manila Electric Co. P530.00 -P15.00 -2.75%	MONDE Monde Nissin Corp. P7.75 +P0.29 +3.89%	PGOLD Puregold Price Club, Inc. P36.00 -P0.05 -0.14%	SCC Semirara Mining and Power Corp. P32.55 +P0.05 +0.15%	SM SM Investments Corp. P897.00 -P8.00 -0.88%	SMC San Miguel Corp. P76.90 -P0.10 -0.13%	SMPH SM Prime Holdings, Inc. P25.05 +P0.45 +1.83%	TEL PLDT Inc. P1,233.00 -P2.00 -0.16%	URC Universal Robina Corp. P94.10 -P1.90 -1.98%
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Leasing surge in 1st half may push full-year demand past 2024 levels, says Leechiu

OFFICE LEASING activity in Metro Manila surged in the first half of 2025, reaching levels not seen since 2017, as demand from the information technology-business process management (IT-BPM) sector drove a stronger-than-expected recovery, according to Leechiu Property Consultants (LPC).

"We are all shocked at the amount of leasing activity in the first six months of the year — we haven't seen these levels since 2017," LPC Founder and Chief Executive Officer David Leechiu said in a news briefing on Thursday.

"Even without the POGOs (Philippine offshore gaming operators), this is the highest level of activity we've ever seen — and this is despite companies talking about work-from-home setups and AI (artificial intelligence) taking over jobs."

In the first half of 2025, the office market recorded 740,000 square meters (sq.m.) of leasing activity,

according to LPC's Second Quarter Philippine Property Market Report. This figure accounts for 67% of the 1.1 million sq.m. total demand recorded for the full year of 2024.

"In previous years, we've also seen strong take-up in the second half, so we're banking on the possibility that demand could be even higher by yearend," LPC Director for Commercial Leasing Milkko Barranda said on the sidelines of the briefing.

The Metro Manila office market experienced a slowdown in the second half of 2024, following the exit of POGOs and uncertainties stemming from the US presidential elections.

While US tariffs may introduce new risks to the market, Mr. Barranda said, "We didn't see any direct effect on the office sector. So, if everything goes well, we might just see this momentum carry over for the rest of the year."

The IT-BPM sector remains the backbone of the office market, accounting for 365,000 sq.m. of take-up in the first half of 2025 — equivalent to 86% of its full-year demand in 2024, LPC said.

As of end-June, the country had about 3.2 million sq.m. of office supply, with 2.7 million sq.m. located in Metro Manila and 615,000 sq.m. in the provinces.

Bonifacio Global City (BGC) recorded the lowest office vacancy rate at 10%, while the highest vacancies were seen in the Bay Area (27%), Alabang (25%), and Taguig (25%).

On average, office deals ranged between 2,000 sq.m. and 5,000 sq.m., with more tenants preferring buildings less than 10 years old.

OVERSUPPLY

Condominium oversupply in some areas of Metro Manila grew in the first half of the year, even as buyer activity improved, according to LPC

Director for Research and Consultancy Roy Amado L. Golez, Jr.

Residential demand posted two consecutive quarters of growth, with 6,643 units sold. New launches also rose by 31% from the previous quarter to 1,761 units.

Metro Manila's condominium inventory rose to 82,800 units — equivalent to three years' worth of supply.

"[Condominium inventory] grew slightly despite demand for 6,600 units, primarily due to new launches as well as cancellations or blackouts," Mr. Golez said. "As a result, we are now down to 37 months of inventory from previous quarters. It's still flat."

Quezon City accounts for the largest share of unsold units at 19,500, followed by Ortigas with 15,000, the Bay Area with 13,800, and Manila with 11,400.

Take-up in the residential market has yet to return to pre-pandemic

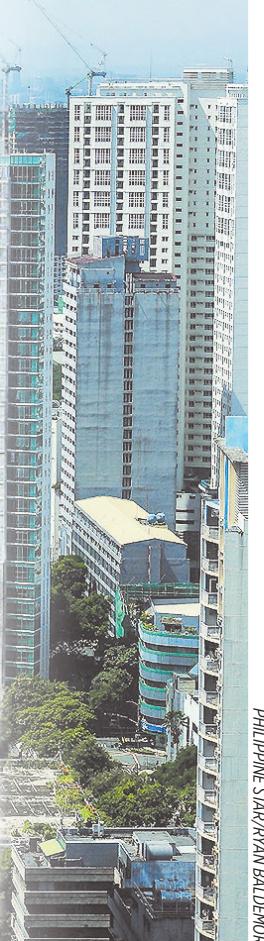
levels, Mr. Golez said, adding that developers remain cautious with new launches.

Despite recovering sales, rental rates remained soft, with the Bay Area posting the steepest decline at 50%. Rental yields ranged from 2% to 8%, indicating "relatively modest returns for property investors," LPC said.

Expected interest rate cuts by the Bangko Sentral ng Pilipinas (BSP) could support stronger residential demand, Mr. Golez said.

"We are hoping that home loan interest rates will improve, making it more palatable for investors to purchase units through financing and, at the same time, offer them for rental income," he said.

The BSP recently said it has room for two more rate cuts amid a moderating inflation outlook. Last month, it lowered interest rates by 25 basis points to 5.25%. — **Beatrix Marie D. Cruz**



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MWEC plans P10.58-billion wind power project in Cavite

MARAGONDON Wind Energy Corp. (MWEC) plans to build a 200-megawatt (MW) wind power project in Cavite, with operations expected to start by 2028.

"The proposed 200-MW onshore wind project aims to provide a significant source of clean electricity, while also unlocking the economic potential of the mountainous regions of Maragondon, Cavite," the company said in its filing with the Department of Environment and Natural Resources.

Spanning 4,941 hectares, the proposed P10.58-billion Maragondon wind power project involves the installation of up to 36 wind turbine generators.

MWEC is targeting the start of construction by 2026 to achieve commercial operations by December 2028.

"The project aims to help the Philippines transition into renewable energy through the installation of an onshore wind power facility to produce additional renewable energy capacity for the Luzon Grid in support of the Philippine Energy Plan," the company said.

MWEC said it seeks to reduce the Philippines' dependence on fossil fuels and mitigate the impacts of climate change.

"Furthermore, it seeks to lower electricity costs and increase the demand for electricity to enhance the stability of Luzon's energy supply," the company said.

The wind energy service contract issued by the Department of Energy in 2023 grants MWEC the exclusive right to explore, develop, and utilize renewable energy resources for the wind power project. — **Sheldeen Joy Talavera**

EDC unit eyes P3-B upgrade of Negros Oriental power plant

GREEN CORE Geothermal, Inc. (GCGI), a subsidiary of Energy Development Corp. (EDC), is planning a P3.02-billion expansion of its 112.5-megawatt (MW) Palinpinon 1 Geothermal Power Plant Project in Negros Oriental.

In its filing with the Department of Environment and Natural Resources, GCGI said it is proposing to increase the plant's capacity to 126 MW by replacing the existing three 37.5-MW turbine-generators.

"This upgrade is prompted by the fact that two of the turbine rotors are approaching the end of their asset life within two to three years," the company said.

The replacement of turbines will not require any additional land, changes in process technology, or increased steam usage, it said.

"Furthermore, there will be no increase in emissions or condensate generation, as the enhanced efficiency of the new turbines compensates for the capacity increase," the company said.

GCGI is targeting the completion of all unit upgrades by the third quarter of 2028.

"The proposed project will use geothermal power generation, supporting renewable energy sources as part of the Energy Reform Agenda. It will provide consistent electricity aiding in national growth," it said.



PNA/MARY JUDALINE FLORES PARTLOW

The company said the project is expected to meet the projected needs of the Visayas grid and promote renewable energy development in the country.

EDC took over operations of the geothermal power plant in 2009 from the National Power Corp., in line with the goals of the Electric Power Industry Reform Act to privatize power generation assets.

Aside from the Palinpinon geothermal power plant, GCGI also operates the 123-MW Tongonan 1 geothermal power plant in Leyte.

Its parent, EDC, is the renewable energy arm of Lopez-led First Gen Corp., which holds an installed capacity of 1,480.19 MW — representing around 20% of the country's total installed renewable energy capacity. — **Sheldeen Joy Talavera**