Philippine Stock Exchange index (PSEi) 6,277.87 ▲0.20 PTS. ▲0.003%

WEDNESDAY, AUGUST 20, 2025 BusinessWorld

PSEi MEMBER STOCKS

AC	Ayala Corp.	P591.00	-P9.00	-1.50%
ACEN	ACEN Corp.	P2.29	+P0.01	+0.44%
AEV	Aboitiz Equity Ventures, Inc.	P29.35	-P0.25	-0.84%
AGI	Alliance Global Group, Inc.	P7.20	-P0.10	-1.37%
ALI	Ayala Land, Inc.	P26.50	+P0.45	+1.73%
AREIT	AREIT, Inc.	P43.00	+P0.20	+0.47%
BDO	BDO Unibank, Inc.	P142.80	-P1.20	-0.83%
BPI	Bank of the Philippine Islands	P114.00	-P0.50	-0.44%
CBC	China Banking Corp.	P61.60	-P0.05	-0.08%
CNPF	Century Pacific Food, Inc.	P32.70	-P1.55	-4.53%
CNVRG	Converge ICT Solutions, Inc.	P14.62	+P0.62	+4.43%
DMC	DMCI Holdings, Inc.	P10.20	-P0.04	-0.39%
EMI	Emperador, Inc.	P16.76	+P0.06	+0.36%
GLO	Globe Telecom, Inc.	P1,670.00	-P10.00	-0.60%
GTCAP	GT Capital Holdings, Inc.	P689.00	-P21.00	-2.96%
ICT	International Container Terminal Services, Inc.	P489.80	+P14.80	+3.12%
JFC	Jollibee Foods Corp.	P234.80	+P5.00	+2.18%
JGS	JG Summit Holdings, Inc.	P24.50	-P0.50	-2.00%
LTG	LT Group, Inc.	P14.00	+P0.26	+1.89%
MBT	Metropolitan Bank & Trust Co.	P70.95	+P0.75	+1.07%
MER	Manila Electric Co.	P531.00	-P0.50	-0.09%
MONDE	Monde Nissin Corp.	P7.18	-P0.02	-0.28%
PGOLD	Puregold Price Club, Inc.	P42.35	+P0.15	+0.36%
PLUS	DigiPlus Interactive Corp.	P28.35	-P1.65	-5.50%
SCC	Semirara Mining and Power Corp.	P32.40	-P0.20	-0.61%
SM	SM Investments Corp.	P781.00	-P14.00	-1.76%
SMC	San Miguel Corp.	P63.75	-P2.15	-3.26%
SMPH	SM Prime Holdings, Inc.	P23.60	——	
TEL	PLDT Inc.	P1,289.00	+P6.00	+0.47%
URC	Universal Robina Corp.	P83.80	+P0.10	+0.12%

Manila ranks 5th globally in Q2 luxury home price growth

By Beatriz Marie D. Cruz
Reporter

PRIME RESIDENTIAL prices in Manila rose by 9.1% year on year in the second quarter, ranking the Philippine capital fifth among global cities for price growth, according to the latest edition of Knight Frank's Prime Global Cities Index (PGCI).

This represents a slowdown from the 26% year-on-year surge recorded in the same period last year, when Manila topped the global rankings.

The PGCI is a valuation-based index that monitors prime residential price movements in 46 cities worldwide, using data from Knight Frank's global research network. It measures nominal prices in local currency.

Year on year, Manila's prime residential price growth trailed only Seoul (25.2%), Tokyo (16.3%), Dubai (15.8%), and Bengaluru (10.2%), but outperformed Mumbai (8.7%), Bangkok (7.1%), Madrid (6.4%), Nairobi (5.6%), and Zurich (5.4%).

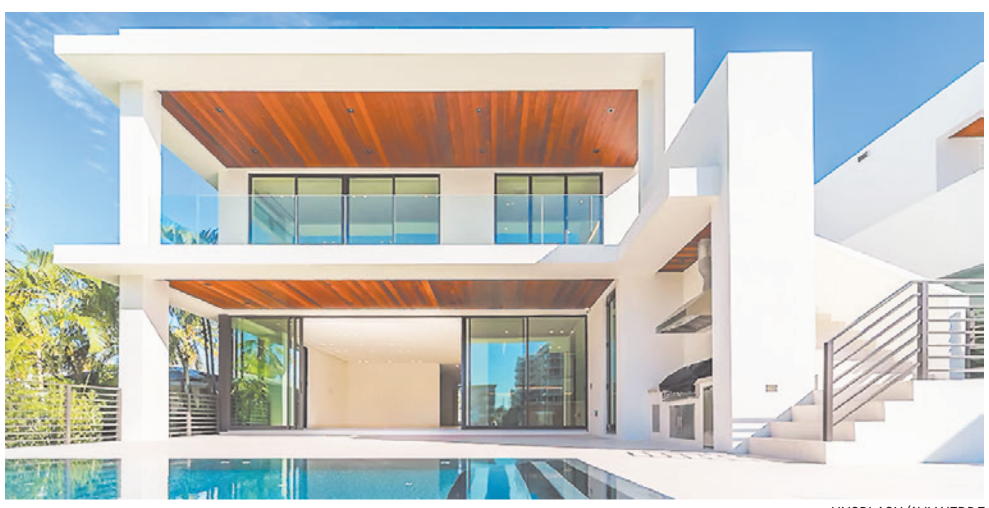
Manila's prime residential prices grew faster in April-June than the 1.6% decline recorded in the first quarter.

Over the past five years, Manila ranked among the top markets in terms of real estate price growth at 77.5%, behind only Tokyo (120%), Dubai (107%), Seoul (80.9%), and Miami (80.3%).

Manila's five-year price growth also outpaced that of Los Angeles (56%), Christchurch (43.9%), Gold Coast (34.2%), Shanghai (32.8%), and San Francisco (32.6%).

"Emerging hotspots like Manila and Christchurch highlight increasing investor appetite in secondary cities," Knight Frank said.

"Asian cities continue to lead the rankings, but with less vigor than in previous quarters," it added.


UNSPLASH/AVI WERDE

Manila's prime residential prices also outpaced the 2.3% global price growth in the second quarter.

"We're seeing a more fragmented market, with some European cities showing surprising strength while former high-flyers in Asia begin to level off," Liam Bailey, global head of research at Knight Frank, was quoted as saying in the report.

Another analyst commenting on the report, Joey Roi H. Bondoc, director and head of research at Colliers Philippines, said strong demand for units amid limited supply may be helping support Manila's prime residential market.

"The upper luxury, ultra-luxury segments continue to outperform other market segments, especially the mid-income segment, because the latter is very sensitive to mortgage rates," he said in a phone interview.

"On the other hand, luxury buyers are awash with cash. If they don't have the cash right now, probably they sell one or two of their units and then buy another luxury unit."

The luxury residential segment — typically valued at P20 million and above — has only 3% remaining inventory of ready-for-occupancy units, far below the 32% inventory recorded in the lower middle-income segment, Colliers said in its Second Quarter Property Market Report.

"By prime residential prices, they may be referring to newly launched luxury condominiums in the Core Central Business Districts of Makati, BGC (Bonifacio Global City) and Ortigas. These constitute a very small percentage of the total condominium supply in the market, but are the highest priced units," Roy Amado L. Golez, Jr., director of research and consultancy at Leechiu Property Consultants, said in an e-mail.

In the coming months, Mr. Bondoc expects more property developers to pivot toward the luxury residential segment.

"More developers will become more prudent when it comes to their launches, but they will cater to the luxury market... so, the share of luxury in the total new launches in Metro Manila will continue to increase," he added.

"I would tend to think that inflation, interest rates and other factors such as financing and the sourcing of high-end luxury materials will continue to nudge pricing upwards," Mr. Golez also said.

SM Prime delays REIT IPO to beyond 2026

SY-LED property developer SM Prime Holdings, Inc. is deferring the initial public offering (IPO) of its planned real estate investment trust (REIT) to beyond 2026, citing unfavorable market conditions.

"Instead of coming up with a REIT in 2026, we may have to defer it a bit and we have to take into account market conditions as well as liquidity in the market," SM Prime Chief Finance Officer John Nai Peng C. Ong said during an investor relations event hosted by the Philippine Stock Exchange (PSE) on Wednesday.

"While the view on REIT is still there, the timing may have to be deferred beyond the year 2025 and I think personally even beyond 2026," he added.

SM Prime's REIT is among the big-ticket IPOs currently deferring their planned listings due to unfavorable market conditions.

The PSE is aiming to record six IPOs this year, but only one has gone public so far, with Cebu-based fuel retailer and distributor Top Line Business Development Corp. in April.

In relation to this, Mr. Ong said that SM Prime is studying the use of green financing as part of the company's fund-raising initiatives.

"We have been studying to consider also sustainability-linked instruments and green bonds. As of today, we have yet to tap green or sustainability-linked instruments. We are open to it. That is why we have been studying to see if it is worth pursuing," he said.

Meanwhile, Mr. Ong said SM Prime expects to continue its growth momentum in the second half, led by improving economic data.

"Looking ahead, we remain optimistic as macro tailwinds continue to support demand across our portfolio. Our consumer-facing businesses are benefiting from resilient gross domestic product growth and strong household spending," he said.

"In hospitality, the recovery in tourism and MICE (meetings, incentives, conferences, and exhibitions) activity is gaining traction. Meanwhile, improved business confidence and a flight to quality are driving momentum in commercial leasing. Taken together, these trends provide strong visibility for sustainable growth and reinforce our confidence in delivering solid results across all business segments," he added.

For the first half, SM Prime posted an 11% increase in net income to P24.5 billion as consolidated revenue grew by 5% to P68 billion on higher rental income, real estate sales, and ancillary revenues.

Philippine inflation slowed to a near six-year low of 0.9% last month due to easing utilities and food costs.

SM Prime shares were last traded on Wednesday, unchanged at P23.60 per share. — **Revin Mikhael D. Ochave**

SEC fines Villar Land, 11 officials for unsubmitted financial statements

By Revin Mikhael D. Ochave
Reporter

LISTED Villar Land Holdings Corp. and its top officials were fined a total of P12 million by the Securities and Exchange Commission (SEC) for failing to submit its 2024 annual report and first-quarter report for 2025.

In an order dated Aug. 18, the SEC Markets and Securities Regulation Department (MSRD) issued the maximum P1-million administrative fine each against Villar Land and 11 officials, totaling P12 million, in lieu of suspending the company's registration statement and permit to offer and sell securities.

The order applies to Villar Land's senior executives, including Chairman Manuel B. Villar, Jr.; President Cynthia J. Javarez; directors and incumbent Senators Mark A. Villar and Camille A. Villar; and director Manuel Paolo A. Villar.

Other officials named are independent directors Ana Marie V. Pagsibigan and Garth F. Castaneda; chief financial officer, chief information officer, treasurer, and investor relations officer Estrellita S. Tan; corporate secretary Gemma M. Santos; assistant corporate secretary Ma. Nalen S.J. Rosero; and compliance officer Kate D. Cator.

The MSRD also imposed a P2,000 administrative fine for every day of delay starting July 1 until Villar Land, formerly known as Golden MV Holdings, Inc., submits its 2024 annual report and first-quarter report.

"The timely submission of annual and quarterly reports is mandatory and non-negotiable under the Securities Regulation Code (SRC) and its implementing rules and regulations. These reports are critical for regulatory oversight, market integrity, and protection of investor interests," the order said.

The MSRD denied Villar Land's request for an extension to submit the reports by Aug. 31.

"The company has been afforded a significant period, from Jan. 1, 2025 to the original due date of April 15, 2025, the extended deadline of April 30, 2025, and the additional extension granted by the commission until June 30, 2025, to complete the preparation and submission of the 2024 audited financial statement (AFS)," the order said.

According to the order, Villar Land was unable to file its annual and quarterly reports while reviewing the valuation of previously acquired companies holding land in the 3,500-hectare Villar City development.


BW FILE PHOTO

On Sept. 30 last year, Villar Land purchased Althorp Land Holdings, Inc., Chalgrove Properties, Inc., and Los Valores Corp., which collectively own 366 hectares of land, under a P5.2-billion deal.

The order noted that the delays followed requests from Villar Land's external auditor, Punongbayan & Araullo (P&A), to review the fair value of the acquired properties.

Villar Land initially tapped SEC-accredited asset valuer E-Value Phils, Inc. to prepare an appraisal report, which resulted in a P1.33-trillion value gain. P&A then requested Crown Property Appraisal Corp. to serve as an independent expert to review the properties, which generated a lower gain of P8.63 billion.

"In light of the protracted process that the company was constrained to take in order to meet the requirements of its external auditor, and in order to ensure that the company would be able to finalize and issue its 2024 AFS at the earliest possible time, the company agreed with P&A that it will accept the most conservative valuation for the assets...," the order showed.

"This delay could have been avoided through earlier engagement with auditors, and more efficient management of the valuation issues," it added.

In a statement, Villar Land said it will respond to the SEC's order in due course and welcomed the opportunity to provide its explanation regarding the issues raised.

"We wish to clarify that the delay in the filing of the annual report and the first-quarter 2025 quarterly report of Villar Land is not due to the refusal of its external auditor to sign the 2024 AFS. The delay was caused by the auditor's varying requests for additional audit procedures in the course of their review of the valuation of the Villar City properties that were acquired by Villar Land in 2024," it said.

"We also want to highlight the fact that while the company firmly believes that it is the fair value of the Villar City properties that should be reflected in its financial statements, in the interest of securing the immediate release of the 2024 Audited Financial Statements, it had reluctantly proposed to the external auditors the use of cost basis in recording the value of the same properties," it added.

Villar Land announced on March 28 that its 2024 net income rose to P999.72 billion from P1.46 billion the prior year, on fair value gains on investment properties that increased to P1.33 trillion from P59 million in 2023.

The MSRD noted that the figures in the March 28 disclosure, which were later reported to be subject to audit, "could very well mislead the investing public."

Villar Land was directed to show cause why it should not be held liable for violations of Sections 26.3 and 54.1(c) of the SRC; violation of Section 8(c) of the Financial Products and Services Consumer Protection Act; and violation of Section 30, in relation to Section 158, of the Revised Corporation Code.

Trading of Villar Land shares has been suspended since May 16 for failing to file its financial reports. The suspension remains in effect as of writing.

Villar Land postponed its annual stockholders' meeting to Oct. 20 from the original schedule of Sept. 3.

Villar Land shares were unchanged at P2,296 per share as of May 15.