ALI targets rising affluent market with P10.3-B Ascenda estate in Davao

AYALA LAND, INC. (ALI) is positioning its 204-hectare Ascenda estate in Davao City to cater to the growing middle to affluent segment in the region.

The developer has allocated P10.3 billion for the mixed-use project, which features a 65-hectare town center and a 139-hectare upscale residential village slated for phased completion by 2031.

"Ascenda caters to Davao's rising middle to affluent segment — business owners and professionals with disposable wealth and investors seeking first-mover positioning," Crystal Gale Evaristo, Mindanao estate development manager at Ayala Land Estates, said in an e-mail.

The estate was launched on Sept. 27.

ALI targets completion of the town center land development works by 2029.

The first phase of the residential village Virendo will be finished by the first quarter of 2029, while the second phase is scheduled for completion by the second quarter of 2031, Ms. Evaristo added.

Virendo will be developed under ALI's flagship luxury brand Ayala Land Premier.

Ascenda is ALI's largest mixed-use estate in Mindanao.

The 65-hectare town center will feature key amenities such as an eco-park, prime commercial lots, greenways, restaurants, cafés, shops, and a community church.

The 139-hectare residential district will offer upscale housing options.

Ms. Evaristo noted that the P10.3-billion allocation covers development of the town center but excludes future planned unit developments within the estate.

Funding will come from retained earnings and bank loans.

ALI is capitalizing on the Davao region's economic growth, expanding road network, and rising demand for peaceful, nature-inspired communities through Ascenda.

It is also the company's fourth development in Mindanao, following Insular Village launched in 1976, Abreeza in 2007, and Azuela Cove in 2017.

ALI President and Chief Executive Officer Anna Ma. Margarita B. Dy said Ascenda's value is expected to appreciate, noting that the estate's prime commercial lots will provide opportunities for investors. — **B.M.D. Cruz**

Twin reforms to boost PHL property sector, attract global players — Colliers

By Joey Roi Bondoc

COLLIERS INSIGHTS

PRESIDENT Ferdinand R. Marcos, Jr. recently signed two measures that are likely to help lift the property sector. The laws will provide a major boost to Philippine real estate that still reels from the debilitating impacts of the coronavirus pandemic and the POGO exodus that left a huge void in the Metro Manila office and condominium segments.

We are now waiting for the implementing rules and regulations of these recently enacted laws but at the outset we see them playing pivotal roles in attracting investments and expediting the implementation of big-ticket infrastructure projects.

EXTENDED LAND LEASE A PLUS FOR PHILIPPINE PROPERTY

One of these measures is Republic Act (RA) No. 12252 or a law liberalizing the lease of private lands by foreign investors. The law extends the stability of long-term lease contracts for industrial estates, factories, agro-industrial ventures, tourism, agriculture, agroforestry, and ecological conservation from 50+25 years to up to 99 years.

More foreign investments in the leisure and industrial sectors should be beneficial to Philippine property players. More Philippine developers can partner with foreign hospitality brands and develop more accommodation facilities and convention centers across the country and maximize the Philippines' improving infrastructure backbone. This is important as the government has been aggressive in rehabilitating and modernizing airports across the country. These efforts are essential especially with the Philippine government setting a lofty goal of attracting 12 million international visitors in 2028.

Philippine developers with expansive industrial footprint should also take advantage of the entry and expansion of manufacturing locators by enticing them to put up facilities within their industrial parks and occupy warehouses and cold chain facilities. With more investments in the country given the land lease term extension, Colliers sees the creation of more industrial zones outside of the established hubs — central Luzon and the Cavite-Laguna-Batangas (Calaba) corridor.

We see more foreign manufacturing players in the country given the implementation of the new measure. Colliers sees the proliferation of more sunrise industries, aside from the more established electronics sub-segments — electric vehicles, electronics, semiconductors, etc. The Philippines ranks disappointingly in the region in terms of attracting foreign direct investments (FDI). The law should make the Philippines a more competitive investment destination in the Southeast Asian region.

Other positives include the Philippines now able to attract more global players in the manufacturing and leisure segments, benefiting the hotel and industrial sectors of the Philippine property market. With more hospitality players, we also see the emergence of more tourist destinations, especially in the countryside — outside of the already popular Cebu, Bacolod, Iloilo, Davao, Bohol, and Palawan.

Colliers Philippines believes that the law's enactment should result in the creation of massive townships offering leisure-oriented and resort-themed projects. This should entice more foreign hospitality players to invest in the Philippines and look at other economic centers outside of Metro Manila. Moreover, the extension of lease term, complemented by more attractive fiscal and non-fiscal perks, should entice more industrial players to invest in the Philippines especially in the agro-industrial segment. The latter is important as it will likely result in enhancing the competitiveness of two major economic planks — agriculture and manufacturing.

RIGHT OF WAY TO PAVE THE WAY FOR BETTER INFRASTRUCTURE

Another measure signed into law by Mr. Marcos is the Accelerated and Reformed Right-of-Way (ARROW) Act. The measure streamlines procedures to expedite the acquisition of right of way, reducing bottlenecks that delay the construction of key public projects. The law also calls for collaboration among various government agencies to address cross-sectoral challenges such as electrification, connectivity, and environmental safeguards.

The measure amends RA No. 10752 or the Right-of-Way Act, which was signed into law in 2016, a few months before President Benigno Aquino III stepped down from the presidency. The law is aligned with RA No. 12001, otherwise known as the Real Property Valuation and Assessment Reform Act, which mandates the establishment of uniformity in taxing real property.

Among ARROW's key provisions include the setting of an appropriate price offer for government-acquired properties based on the valuation system and schedule of market values (SMV) established under RA No. 12001, or the Real Property Valuation and Assessment Reform Act of 2024.

The measure is definitely a step in the right direction. Hopefully it helps plug infrastructure gaps especially amid the flood control issue that has hampered the speedy implementation of infrastructure projects across the Philippines.

As we always highlight at Colliers Philippines, infrastructure plays a key role in stoking demand for property and in guiding property developers for their expansion. We are optimistic that the ARROW Act will give the Philippine property a much-needed boost amid stifling demand for Metro Manila condominium units and rising office vacancies.

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CitiHomes Builder eyeing Paseo de Lipa build in 2026

HOUSING DEVELOPER CitiHomes Builder and Development, Inc. (CBDI) is targeting to start housing construction in early next year at its 100-hectare mixed-use development Paseo de Lipa in Batangas.

"For Estella and Madeira, we're still doing land development," CBDI Executive Vice-President John Philip Wang said on the sidelines of an event last week.

The township will feature five residential villages — Estella, Madeira, Abrego, Verdeza, and Marbella.

Land development for Estella and Madeira began in December last year, Mr. Wang added.

"We had a very punctual and very high volume rainy season, which we're still in. So that's going to slow down the land development a bit," he said.

CBDI plans to construct 763 housing units for the nine-hectare Estella village and 934 units for the 15-hectare Madeira village, Mr. Wang noted.

"We're looking to start housing construction by the first quarter of next year," he added.

The property will offer starter townhouses, single-attached homes for growing families, and single-detached homes for larger households. — **Beatriz Marie D. Cruz**

FULL STORY
Read the full story by scanning the QR code
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Megaworld allocates P3.4B from REIT proceeds to expand provincial townships

LISTED property developer Megaworld Corp. said it is allocating P3.4 billion from the proceeds of its recent block sale of shares in its real estate investment trust (REIT) unit MREIT, Inc. to expand its township projects in Bacolod, Cebu, and Palawan amid continued growth prospects in these areas.

In a stock exchange disclosure on Monday, Megaworld said the funds came from the sale of MREIT shares and will be reinvested in new income-generating assets, including office towers, lifestyle malls, and hotels within its key provincial estates.

Megaworld President and Chief Executive Officer Lourdes Gutierrez-Alfonso said the upcoming projects are expected to spur both tourism and business activity in their respective provinces.

"We hope to be able to expand our offerings that can generate more jobs and help boost tourism in these exciting destinations," Ms. Gutierrez-Alfonso said.

Among the estates covered by the allocation is The Upper East in Bacolod, a 34-hectare modern business and lifestyle district built on a former sugar mill complex across the Bacolod City Government Center.

Megaworld has completed three residential condominiums and one office building in the area, with two more residential developments, another office tower, and one hotel under construction. The developer is also planning to begin construction of a mall within the township by next year.

Proceeds will likewise be used to expand The Mactan Newtown, a 30-hectare township in Lapu-Lapu City, Cebu, located along the province's coastline and envisioned as a mixed-use business and leisure hub.

The development will feature a convention center catering to the meetings, incentives, conventions, and exhibitions market, as well as a multi-level museum commemorating the 1521 arrival of the Spanish in the Philippines.

Megaworld said four residential projects have been completed in The Mactan Newtown, while three more are under construction. The estate currently hosts five office towers and two hotels.

MEGAWORLD CORP.

Meanwhile, a portion of the proceeds will also go to Paragua Coastown, Megaworld's 462-hectare eco-tourism community in San Vicente, Palawan, which will include hotels, condominiums, residential villages, commercial districts, and nature parks.

In an earlier disclosure, Megaworld said it was allocating P845 million for Paragua Coastown, P830 million for The Mactan Newtown, and P537.92 million for The Upper East.

Last month, Megaworld raised P2.24 billion from a block sale of MREIT's common shares, which it said would support possible future asset infusions into the REIT.

MREIT Chairman Kevin L. Tan said, "We look forward to the new income-generating assets that will be part of the potential future assets of MREIT, particularly the new malls and offices that will be built."

"These projects will not only sustain MREIT's expansion pipeline but also enhance its long-term earnings visibility and shareholder value," he added.

MREIT earlier said it aims to expand its portfolio to one million square meters of gross leasable area (GLA) by 2027. The company reported a 26% increase in first-half distributable income to P1.86 billion, driven by a 28% rise in revenue to P2.7 billion.

At present, MREIT holds 24 prime office properties across five Megaworld townships — Eastwood City in Quezon City; McKinley Hill and McKinley West in Taguig; Iloilo Business Park in Iloilo City; and Davao Park District in Davao City.

On Monday, MREIT shares closed flat at P2 each, while MREIT shares rose 1.16% or 16 centavos to P13.94 apiece. — **Beatriz Marie D. Cruz**