

# Defensive real estate sectors draw investor interest — report

INVESTORS are increasingly favoring defensive and income-generating property assets such as malls, logistics facilities, data centers, and hotels, according to property consultants and real estate executives, as developers adopt a more cautious stance on expansion amid global economic uncertainty.

“Rather than focus on the disruption from the Middle East conflict, it’s important to understand the long-term structural shifts being driven by an increasingly multipolar and fragmented global environment,” Christopher J. Marriott, chief executive officer of Savills Southeast Asia, said in the Asia Pacific Real Assets Association’s TrendWatch May 2026 report released on Monday.

The report noted that investors across Southeast Asia continue to gravitate toward sectors linked to domestic consumption, manufacturing expansion, and technological infrastructure despite elevated borrowing costs and geopolitical risks.

“In today’s macro environment, sectors that offer recurring income, long-term visibility, and protection against volatility are the most attractive,” RL Commercial REIT, Inc. President and Chief Executive Officer Jericho P. Go said.

“Across these sectors, long-term contracts and predictable cash flows are what make them attractive in uncertain markets,” he added.

Mr. Go identified malls, logistics facilities, data centers, offices, and hotels as among the Phil-

ippine market’s more resilient property segments.

The report said retail assets remain attractive because of lease structures that combine fixed minimum rents with percentage-of-sales upside, while logistics facilities benefit from long-term contracts with built-in rental escalations that help offset inflation while supporting supply chain requirements.

The luxury residential segment has also shown resilience, with Manila ranking third in Knight Frank’s Prime International Residential Index.

Hospitality assets are likewise regaining momentum as international operators expand and global brands re-enter key destinations, while the office market remains tenant-led amid competitive rental conditions.

Rick Santos, chairman and chief executive officer of Santos Knight Frank, said the current market environment is favoring sectors backed by structural demand drivers over cyclical recovery plays.

“The current macro environment is effectively acting as a filter — separating sectors with structural demand from those still dependent on cyclical recovery,” he said.

“What we’re seeing is a pause, not a retreat,” he added.

Mr. Marriott added that the Philippines remains exposed to near-term risks as a net energy importer, particularly as tensions involving the Middle East continue to affect fuel prices and inflation expectations. — **J.C.A. Gonzales**

## MPTC invests P193 million to maintain 44.9% stake in Vietnam toll road affiliate

METRO PACIFIC Tollways Corp. (MPTC) said it subscribed to 8.67 million newly issued shares of CII Bridges and Roads Investment JSC (CII B&R) for about P193 million to maintain its effective 44.9% stake in its Vietnam affiliate.

In its financial report, MPTC said its unit Metro Pacific Tollways Vietnam Co. Ltd. (MPT Vietnam) subscribed to the shares, equivalent to a 4.09% interest in CII B&R.

The company said the share subscription was undertaken to preserve MPTC’s combined 44.9% ownership interest in CII B&R following the Vietnamese company’s issuance of new shares to existing and new investors.

Following the transaction, MPTC’s direct stake in CII B&R stood at 40.85%, while MPT Vietnam held 4.09%, for a combined interest of 44.9%.

Last year, MPTC said it was exploring opportunities to expand its toll road portfolio in Vietnam.

MPTC, the tollways unit of Metro Pacific Investments Corp. (MPIC), also has operations in Indonesia. Its Vietnam business is carried out through affiliate CII B&R.

In 2025, CII B&R said it was pursuing the expansion of the nearly \$1.6-billion Ho Chi Minh City-Trung Luong-My Thuan Expressway, a 96-kilometer project aimed at improving transport connectivity in southern Vietnam.

The company has likewise expressed interest in bidding for four infrastructure projects in Vietnam worth a combined \$1.65 billion.

CII B&R and its subsidiaries are engaged in the construction, development and operation of urban infrastructure projects.

For the three months ended March, MPTC’s attributable net income slipped by 0.65% to P1.54 billion from P1.55 billion a year earlier.

Operating revenues rose by 14.02% to P9.92 billion from P8.7 billion in the same period last year.

MPTC also said construction progress for the Cavite segment of the Cavite-Laguna Expressway (CALAX) reached 84.67% and remains on track for completion by July.

MPIC is one of the three key Philippine units of Hong Kong-based First Pacific Co. Ltd., alongside Philex Mining Corp. and PLDT Inc.

Hastings Holdings, Inc., a unit of the PLDT Beneficial Trust Fund subsidiary MediaQuest Holdings, Inc., holds a majority interest in *BusinessWorld* through the Philippine Star Group, which it controls. — **Ashley Erika O. Jose**

## SMIC renewable energy share climbs to 31%

SM INVESTMENTS CORP. (SMIC) increased its renewable energy sourcing in 2025, with cleaner energy accounting for 31% of total electricity consumption, up from 27% a year earlier, as the conglomerate expanded renewable energy use across its operations.

“For us, investing in renewable energy is both a sustainability and business decision,” SMIC President and Chief Executive Officer Frederic C. DyBuncio said in a statement on Monday.

“It helps us manage long-term energy costs, improve operational efficiency, and build more resilient businesses to better serve our customers, tenants, communities, and other stakeholders,” he added.

The group sourced around 730 million kilowatt-hours of electricity from renewable energy sources in 2025.

According to SMIC, the increased use of renewable electricity reduced carbon emissions by 370,644 metric tons during the year, equivalent to removing about 296,954 electric-powered passenger vehicles from the road for one year.

“Reliable and affordable energy is important not only for businesses, but also for communities and the broader economy. We believe renewable energy, particularly geothermal, can help strengthen long-term energy security while supporting economic growth,” Mr. DyBuncio said.

The group’s renewable energy operations are led by

Philippine Geothermal Production Company, which operates the Makiling-Banahaw (Mak-Ban) and Tiwi geothermal steam fields in Batangas, Laguna, and Albay.

The facilities have a combined generating capacity of up to 400 megawatts (MW), enough to supply around one million households annually.

SMIC said its geothermal subsidiary is developing six additional sites in Luzon with a combined potential capacity of up to 400 MW.

The conglomerate said sustainability and efficiency initiatives continue across its retail, property, banking, and portfolio investment businesses.

In the property segment, SM Prime Holdings, Inc. has installed more than 200,000 solar panels across 69 properties.

Retail subsidiary Alfamart also installed solar panels at its Saraiya Distribution Center in Quezon Province, with a peak capacity of 120.28 kilowatt-peak (kWp).

Meanwhile, the conglomerate’s banking units reported continued funding support for sustainability-related projects. BDO Unibank, Inc. financed P1.21 trillion worth of sustainable projects as of end-2025, including P177 billion allocated to 71 renewable energy developments.

China Banking Corp. provided P72 billion in financing for energy access, renewable energy, and energy efficiency projects in 2025. — **Alexandria Grace C. Magno**



## Metro Manila office stock sees rising green adoption

METRO MANILA’S office market is accelerating its shift toward operational sustainability, with 37% of total office stock now powered by renewable energy in the first quarter (Q1) of 2026, according to CBRE Philippines, as landlords strengthen environmental, social, and governance (ESG) strategies to remain competitive against more mature Asia-Pacific office markets.

“The Philippine office market is experiencing dramatic acceleration in terms of adoption, but still leans heavily on design-stage certification, such as Leadership in Energy and Environmental Design (LEED) and Building for Ecologically Responsive Design Excellence (BERDE), while other

regional office markets have layered in WELL, NABERS, and energy performance mandates, making their ESG story more operationally rigorous,” the consultancy firm said in its start-of-year market report.

CBRE reported that 37% of Metro Manila’s total office stock was operating on renewable energy, equivalent to around 4.2 million square meters (sq.m.) of gross leasable area (GLA). This was higher than the firm’s previous tally of about 2.9 million sq.m. recorded in the third quarter of 2025.

The Ortigas business district posted the highest level of renewable energy adoption, with 100% of office supply operating

on sustainable energy, maintaining last year’s level. This was followed by Fort Bonifacio, where the share rose to 83% from 79% a year earlier, and Quezon City, where adoption increased to 71% from 63%.

Despite the gains, the Philippines continues to lag behind more mature Asia-Pacific office markets, such as Australia, South Korea, and Japan, in terms of operational sustainability standards.

Among major developers, Megaworld Corp. posted the highest renewable-to-non-renewable office supply ratio, with 86% of its office portfolio — equivalent to about 1.2 million sq.m. of GLA — powered by renewable energy.

Ayala Land, Inc. followed with 1.14 million sq.m. of renewable-powered office space, accounting for 74% of its portfolio. SM Prime Holdings, Inc. posted 796,200 sq.m., or 76% of stock, while Robinsons Land Corp. recorded 644,000 sq.m., or 65%, and Filinvest Land, Inc. posted 457,700 sq.m., or 60%.

CBRE data also showed that 20 office buildings, or about 850,000 sq.m. of GLA, are WiredScore-certified. The consultancy expects an additional 28 buildings, equivalent to around 595,000 sq.m., to be added this year.

Fort Bonifacio accounted for 56% of the WiredScore-certified market, followed by Makati at 17%, and Quezon City at 15%. — **Juliana Chloe A. Gonzales**

## Chinese steelmaker Panhua Group expected to complete Sarangani plant phase one by June

CHINESE STEELMAKER Panhua Group is looking to open phase one of a \$1-billion steel production facility in Sarangani province in June, the Department of Trade and Industry (DTI) said.

“Phase one should be opened anytime soon, I think in June,” Trade Secretary Ma. Cristina A. Roque told reporters on the sidelines of an event on Monday.

The plant will occupy 40 hectares of the Kamanga Agro-Industrial Ecozone Development Corp. (KAIEDC) site.

KAIEDC, a subsidiary of Alsons Consolidated Resources, Inc., is located in Barangay Kamanga, Maasim, Sarangani.

About 4,000 jobs will be generated by operations at phase one, the DTI said.

Panhua specializes in thin steel plate manufacturing. It was one of the companies the DTI met in a recent visit to China, where it also facilitated talks with key Chinese electric vehicle (EV) manufacturing firms.

The DTI met with NWOW Technology, which produces EVs and electric motorcy-

cles. The company has two research and design centers; four production bases and 11 subsidiaries across Asia, Europe, and the Americas.

It also met with automotive company Shanghai Launch, which designs, engineers, and manufactures EVs, and with Goodwe/Yude Solar, a solar rooftop developer.

“We’re talking to them about what they would need so they can move their business here to the Philippines,” Ms. Roque said. — **Beatriz Marie D. Cruz**



## Maharlika to fund Mindoro grid upgrades as strategic investor

THE Maharlika Investment Corp. (MIC) said it formalized a deal with major energy agencies to rehabilitate and modernize Mindoro Island’s power grid, under which it will take the role of strategic investor.

In a statement on Monday, the MIC said its partners in the deal are the National Power Corp., National Transmission Corp., and the National Electrification Administration.

“The cooperation agreement formalizes more than a

year of interagency coordination and technical collaboration among the participating government institutions to address the longstanding structural challenges of the Mindoro Small Grid,” it said.

“The parties have been working together to evaluate operational requirements, investment pathways, technical priorities, and institutional coordination mechanisms necessary to support the project’s implementation,” it added. — **Justine Irish D. Tabile**

## 12 ferry routes designated for subsidized fares

THE Maritime Industry Authority (MARINA) said its P200-million service contracting program will be offered on 12 ferry routes, where passengers will enjoy fare subsidies to mitigate the impact of rising fuel costs.

“A total of 33 operators will participate in our program. We have already identified the routes and based on our estimate, our program will run for about two weeks but we may extend it further,” MARINA Administrator Sonia B. Malaluan said in a statement on Monday.

The Department of Transportation is further expanding its service contracting program to include ferries, providing fare subsidies while ensuring continued income for transport workers.

The fare subsidy involves economy-class trips. MARINA’s service contracting program started on Monday and is expected to serve 1.16 million passengers.

According to MARINA these routes are: Batangas City to Puerto Galera, Oriental Mindoro; Batangas City to Calapan,

Oriental Mindoro; Jordan Wharf, Guimaras to Parola Wharf, Iloilo City; Buenavista Guimaras to Iloilo City; Olango Island to Angasil, Lapu-Lapu City; Liloan, Santander, Cebu to Sibulan, Negros Oriental; Zamboanga City to Basilan; Talicud Island to Poblacion Kaputian, Samal Island; Surigao City, Surigao del Norte to San Jose, Dinagat Islands; Socorro, Surigao del Norte to Hayangabon, Surigao del Norte; and Socorro, Surigao del Norte to Dapa, Surigao del Norte.

Participating operators are Montenegro Shipping Lines, Inc.; Shogun Ships Co., Inc.; Phil-Wave Boat Builders Co. Ltd.; Supercat Fast Ferries; Bamosa Marine Transport Corp.; 3S Marine Transport Corp.; Guimaras Island Transport, Buenavista and Jordan Ferry, Inc.; Cuadro Alas Navigation, Inc.; and Sta. Rosa Ferry Services.

Ms. Malaluan said the fare subsidy varies depending on vessel capacity and corresponding fare increases. — **Ashley Erika O. Jose**