

# Property sector seen slowing in 2<sup>nd</sup> half amid oil, price pressures

By Juliana Chloe A. Gonzales

THE PHILIPPINE property sector is expected to slow in the second half as the Iran war, elevated oil prices and persistent inflation raise costs and weaken demand, prompting developers to delay projects and adopt a more cautious approach.

Analysts said higher fuel and construction costs, elevated borrowing rates and weaker consumer purchasing power are likely to weigh on residential, retail and hospitality segments through the rest of 2026, although industrial and outsourcing-related property demand might provide some support.

Joey Roi Bondoc, director for research at Colliers Philippines, said the impact of the war on fuel and supply chains could continue to pressure developers and buyers.

Developers have started delaying construction and marketing some projects in anticipation of weaker demand, he told *BusinessWorld* in a video call.

“The Middle East covered about 18% of total remittances to the Philippines in 2025, so that is pretty significant,” he added.

Claro dG. Cordero, Jr., director for research at Cushman & Wakefield Philippines, said prolonged war in the Middle East would con-

tinue to affect oil markets even if tensions ease.

“Even if de-escalation occurs, oil production and trade through the Strait of Hormuz will take time to normalize,” he said in an e-mailed reply to questions.

He said higher oil prices would eventually filter through to transportation, utilities and consumer expenses, squeezing household purchasing power in a country heavily dependent on imports.

Cushman & Wakefield also said inflation risks could spur the Bangko Sentral ng Pilipinas (BSP) to keep benchmark interest rates elevated.

Mr. Bondoc said the BSP’s cumulative 200-basis-point policy easing has yet to translate into substantially lower mortgage rates.

“Until we see a significant reduction in mortgage rate, I think we won’t see a substantial spike in condominium take-up in the Metro Manila pre-selling market,” he said, noting that five-year mortgage rates remain at about 7.7% to 7.8%.

The condominium segment in Metro Manila continues to face a large supply overhang, with about seven years’ worth of unsold inventory, according to Colliers.

As a result, developers are increasingly shifting toward horizontal housing projects in provin-

cial growth areas such as Cavite, Laguna and Batangas, where demand is driven more by end-users than speculative buyers.

“It doesn’t make economic sense at this point to start building more vertical projects in Metro Manila,” Mr. Bondoc said.

Colliers added that provincial house-and-lot projects continue to post strong average take-up rates of about 90%, partly because overseas Filipino workers are less likely to stop paying for homes occupied by their families.

Despite the challenges, analysts said some property segments are expected to continue performing well.

Mr. Cordero said logistics and industrial developments, information technology and business process management (IT-BPM) office spaces and the high-end residential market are likely to outperform.

“Logistics and industrial benefit directly from supply chain restructuring, as occupiers seek larger, strategically located warehousing near major transport nodes to guard against disruption,” he said.

He added that tighter budgets among global companies could still support Philippine outsourcing demand because firms continue to seek lower-cost operating locations.

John Corpus, executive director for tenant representation at Savills Philippines, said a weaker peso could further improve the country’s competitiveness for export-oriented industries and outsourcing firms.

However, he noted that many business process outsourcing firms and global capability centers remain cautious about expansion because of economic uncertainty and rapid technological change.

“As a result, occupiers are expected to remain selective and strategic in their expansion decisions,” Mr. Corpus said via Viber.

Savills also cited geopolitical risks involving Taiwan and domestic political uncertainty ahead of the 2028 election cycle as factors that could affect investor sentiment.

“Investors generally prefer stability, policy continuity, and a strong focus on economic priorities,” Mr. Corpus said.

Analysts said developers should prioritize operational efficiency and carefully phase projects instead of pursuing aggressive expansion.

They also recommended locking in material costs early and investing in energy-efficient infrastructure and renewable energy systems to reduce operating costs for tenants.

## PAL expands global reach by joining oneworld Alliance

PHILIPPINE AIRLINES (PAL) has joined the oneworld Alliance, giving the flag carrier access to a wider international network as it seeks to strengthen connectivity between the Philippines and overseas markets.

“This is a defining and transformative moment for Philippine Airlines,” PAL Holdings, Inc. President Lucio C. Tan III said in a statement on Sunday.

“Becoming a member of the oneworld Alliance and strengthening Southeast Asia’s representation within the group significantly brings the Philippines and the region closer to the world like never before,” he added.

The oneworld Alliance is a global airline network whose members coordinate routes, flights, airport lounge access and frequent flyer programs.

PAL’s addition makes it the 16<sup>th</sup> member of the alliance and the second Southeast Asian carrier in the group.

The airline said joining the alliance would give passengers access to nearly 1,000 destinations across 170 countries and territories through partner airlines.

“This landmark achievement signals a powerful new chapter for both the airline

and the region, highlighting the Philippines’ rising prominence as a dynamic global aviation gateway,” PAL said.

The company added that its domestic and international route network would also strengthen the alliance’s presence in Southeast Asia.

“Philippine Airlines’ entry into oneworld supports our long-term strategic growth and strengthens our connectivity across key markets in the Asia-Pacific region,” oneworld Governing Board Chairman and American Airlines Chief Executive Officer Robert Isom said in the statement.

Members of the alliance include American Airlines, British Airways, Cathay Pacific, Japan Airlines, Qatar Airways and Qantas.

Separately, PAL said on Friday that it would deploy its second Airbus A350-1000 on Manila-Toronto flights beginning June 5.

The airline received its second A350-1000 aircraft in May and expects to take delivery of five units this year.

The A350-1000 is a long-haul widebody aircraft developed by Airbus and is configured with business, premium economy and economy class cabins. — **Ashley Erika O. Jose**



## Globe boosts Visayas fiber network rollout

GLOBE Telecom, Inc. is expanding community-based broadband centers in the Visayas as part of efforts to widen fiber internet access and improve customer support services in underserved areas.

“Reliable connectivity has become essential for education, work, business and everyday life,” Jimbo B. Cordero, Globe general manager for the Visayas, said in a statement on Sunday. “By bringing broadband services closer to communities, we are making it easier for more families to access the opportunities that come with a strong internet connection.”

The company said its broadband unit, Globe At Home, is expanding the centers to provide application assistance and connectivity services, particularly in areas located far from traditional service hubs.

Globe said the centers are designed to help residents access information on fiber plans and internet services without needing to travel long distances.

“By establishing a stronger presence at the barangay (village) level, Globe aims to make information about home internet services more visible and accessible,” the company said.

The telecommunication company said it plans to open more broadband centers this month in Aklan, Capiz, Antique, Samar, Leyte, Bohol and Cebu.

Globe has established community-based broadband access points in Negros Occidental, Iloilo, Guimaras, Negros Oriental, Samar, Leyte, Bohol and Cebu.

The expansion forms part of its broader push to strengthen fiber connectivity outside Metro Manila as internet demand continues to grow in provincial areas.

For the first quarter, Globe posted attributable net income of P5.55 billion, down 20% from a year earlier, as higher financing costs and the absence of one-off gains offset growth in revenue and core earnings driven by strong data demand. — **Ashley Erika O. Jose**

## PonteFino launches 10-storey mixed-use residential tower inside Batangas IT park

PONTEFINO Group of Companies has launched Accent Tower, a 10-storey mixed-use residential project inside its Philippine Economic Zone Authority (PEZA)-accredited information technology park in Batangas City.

The project marks the first residential and small office-home office (SOHO) development within The Forum IT Ecozone, the company’s 4.26-hectare business park designed for information technology and knowledge process outsourcing firms.

“Accent Tower is more than a building. It is a direct response to the needs of a modern Batangas City,” PonteFino President and Chief Executive Officer Ramon Ricardo V. Gutierrez said in a statement on Saturday.

“By placing residential and SOHO units inside our PEZA-certified IT Park, we are creating a strategic address for professionals and investors who value proximity to work,” he added.

The development forms part of the company’s push to build a “15-minute city,” where

key establishments are located within short travel distances.

Once completed by July 2030, Accent Tower will rise near SM City Batangas, Jesus of Nazareth Hospital, Stonyhurst Southville International School and Lyceum of the Philippines University’s Batangas campus.

The building will offer studio, one-bedroom, two-bedroom and three-bedroom units in both residential and SOHO configurations.

Studio units will range from 22.3 square meters (sq.m.) to 25.6 sq.m., while one-bedroom units will range from 51.2 sq.m. to 58.6 sq.m. Two-bedroom units will measure 76.8 sq.m. to 84.2 sq.m., while three-bedroom units will have floor areas of 117.55 sq.m.

Amenities will include swimming pools, a fitness center, function and board rooms, a children’s playground, a mail room and commercial spaces.

Accent Tower will also incorporate sustainability features aimed at reducing long-term

operating costs. These include rooftop solar panels, rainwater harvesting systems, electric vehicle charging stations, pocket gardens, energy-efficient lighting, low-flow plumbing fixtures, permeable paving and a sewage treatment plant.

The company said estate-wide solar power integration is projected to generate annual energy savings of 15% to 20%, while water recycling and rainwater harvesting systems could reduce water consumption by 20% to 40%.

PonteFino added that about 75% of the trees across the estate are native species intended to help lower surrounding temperatures and create a more walkable environment.

Accent Tower joins PonteFino Estates’ existing condominium portfolio, which includes PonteFino Condotel, The Terraces at PonteFino, One PonteFino Tower and The Arcade.

The company is also developing a 40-hectare mixed-use project in Cagayan de Oro. — **Juliana Chloe A. Gonzales**

## SEC shifts securities lending clearance to PSE

THE Securities and Exchange Commission (SEC) has approved revised rules transferring the review and pre-clearance of master securities lending agreements to the Philippine Stock Exchange (PSE), streamlining the registration process for stock lending transactions.

In a statement issued late Friday, the SEC said it cleared the 2026 revised guidelines for these deals and accession agreements to multilateral lending agreements proposed by the PSE on May 15.

Under the revised framework, the PSE will become the sole reviewing and pre-clearing body for these transactions. Applicants will no longer need to secure SEC pre-clearance and certification before registering agreements with the Bureau of Internal Revenue (BIR).

The SEC said the changes are expected to shorten processing periods and reduce costs for market participants.

Processing time for registration will be reduced to five

working days from seven, while pre-clearance of accession agreements will be completed within one working day.

The P5,030 SEC processing and certification fee will also be removed under the revised arrangement.

The PSE will receive application documents and fees, coordinate reviews and transmit pre-cleared agreements to the BIR.

It will also issue reference numbers required for BIR reg-

istration, a function previously handled by the SEC.

Despite the transfer of responsibilities, the SEC said it would continue to receive copies of endorsed and transmitted documents for regulatory oversight and post-audit review.

The revised guidelines are aligned with an SEC circular issued in 2006 that governs securities borrowing and lending activities in the Philippines. — **Alexandria Grace C. Magno**

Philippine Stock Exchange index (PSEi)				5,938.38	▲ 26.45 PTS.	▲ 0.44%	FRIDAY, JUNE 5, 2026	BusinessWorld	
PSEi MEMBER STOCKS									
<b>AC</b> Ayala Corp. P406.00 +P2.20 +0.54%	<b>ACEN</b> ACEN Corp. P3.45 +P0.35 +11.29%	<b>AEV</b> Aboitiz Equity Ventures, Inc. P33.60 +P1.25 +3.86%	<b>ALI</b> Ayala Land, Inc. P14.16 +P0.16 +1.14%	<b>AREIT</b> AREIT, Inc. P38.60 +P0.10 +0.26%	<b>BDO</b> BDO Unibank, Inc. P118.00 -P0.90 -0.76%	<b>BPI</b> Bank of the Philippine Islands P94.75 +P1.75 +1.88%	<b>CBC</b> China Banking Corp. P54.50 +P0.30 +0.55%	<b>CNPF</b> Century Pacific Food, Inc. P27.10 +P0.80 +3.04%	<b>CNVRG</b> Converge ICT Solutions, Inc. P10.50 +P0.10 +0.96%
<b>DMC</b> DMCI Holdings, Inc. P8.98 -P0.20 -2.18%	<b>EMI</b> Emperador, Inc. P15.24 —	<b>GLO</b> Globe Telecom, Inc. P1,680.00 -P20.00 -1.18%	<b>GTCAP</b> GT Capital Holdings, Inc. P487.00 —	<b>ICT</b> International Container Terminal Services, Inc. P855.00 +P5.50 +0.65%	<b>JFC</b> Jollibee Foods Corp. P136.30 +P3.30 +2.48%	<b>JGS</b> JG Summit Holdings, Inc. P26.60 +P0.60 +2.31%	<b>LTG</b> LT Group, Inc. P14.88 -P0.02 -0.13%	<b>MBT</b> Metropolitan Bank & Trust Co. P64.40 +P0.60 +0.94%	<b>MER</b> Manila Electric Co. P556.00 -P10.00 -1.77%
<b>MONDE</b> Monde Nissin Corp. P7.00 +P0.15 +2.19%	<b>PGOLD</b> Puregold Price Club, Inc. P46.40 +P0.40 +0.87%	<b>PLUS</b> DigiPlus Interactive Corp. P10.60 -P0.02 -0.19%	<b>RCR</b> RL Commercial REIT, Inc. P6.87 -P0.04 -0.58%	<b>SCC</b> Semirara Mining and Power Corp. P26.50 -P0.30 -1.12%	<b>SM</b> SM Investments Corp. P580.00 -P4.00 -0.68%	<b>SMC</b> San Miguel Corp. P67.85 +P0.65 +0.97%	<b>SMPH</b> SM Prime Holdings, Inc. P18.12 -P0.18 -0.98%	<b>TEL</b> PLDT Inc. P1,142.00 +P5.00 +0.44%	<b>URC</b> Universal Robina Corp. P59.80 -P0.20 -0.33%