

Philippine Property Market Monitor

November 2015



Office/O&O

- Global service office provider Compass Offices has recently expanded its international network to the Philippines; it recently began its operations in Tower 6789 along Ayala Avenue in Makati CBD. Compass Offices covers an area of around 14,600 sqm and offers clients the option of 235 workstations of varying sizes. The company also offers the use of three meeting rooms, wireless internet connection, shared common areas and kitchen pantries, among others.
- Negotiations between Felcris Hotels and Resorts and five international business process management firms (BPM) are currently in the works, as the latter have expressed interest to open offices in Felcris Centrale, a mixed-use development in Davao City that includes a ten-storey office component targeting offshoring and outsourcing (O&O) firms. According to Felcris Hotels and Resorts, a maximum of seven to eight floors of the office tower will likely be allocated to the BPM firms, with each floor having up to 300 seats and a typical floor plate of 1,354 sqm.
- Filinvest Land Inc. has launched a mixed-used development in Quezon City called Studio 7 that focuses on catering to the O&O industry. Located at the corner of EDSA and Timog Avenue, Studio 7 will include an 18-storey office tower that provides an estimated gross leasable area of 36,000 sqm and can accommodate approximately 14,400 employees. In addition to this, Studio 7 will feature retail and residential components.
- Genpact Ltd. (Genpact), an international O&O firm, is set to open its third office in the Philippines by 2Q16. While the first two offices of Genpact are situated within Metro Manila, the third office will be located in Balanga City, Bataan Province. Genpact will be the first O&O firm in Bataan Province and will be located on the third floor of Starmall Prima Bataan.

Key Economic Indicators

GDP Growth (2Q 2015) ^a	5.6%
GDP Growth (2014) ^a	6.1%
Inflation (October 2015) ^b	0.4%
Foreign Exchange Rate (average October 2015) ^b In PHP per USD	46.36
91-Day T-Bill Rate (average October 2015) ^b	1.5%
182-Day T-Bill Rates (average October 2015) ^b	1.5%
Cumulative Overseas Filipino Cash Remittances (Jan-Sep 2015) ^b In million USD	18,408
Cumulative net FDIs (Jan- Aug 2015) ^b In million USD	3,004
Unemployment Rate (Jul 2015) ^c	6.5%
Population (as of May 2010) ^c	92.3M
Tourist Arrivals (Jan-Sep 2015) ^d	3,983,627
Tourist Arrivals Growth (y-o-y) ^d	10.8%

Sources:

^a National Statistical Coordination Board (NSCB)

^b Bangko Sentral ng Pilipinas (BSP)

^c National Statistics Office (NSO)

^d Department of Tourism (DOT)

Residential

- Amaia Land, a subsidiary of Ayala Land Inc. (ALI), recently launched Amaia Steps Alabang along Alabang-Zapote Road. The development will have nine buildings with a consolidated total of 1,712 units. It offers studio, 1-BR and 2-BR units ranging from 24 to 49 sqm in size. The first building, Blanca, was 93% sold as of 3Q15 and is to complete by 2017, while the second building, named Aria, is 45% sold and set to complete by 2018.
- Rockwell Land Corporation has launched Proscenium Residences, the fifth tower that will complete the 3.6-hectare Proscenium enclave in Rockwell Center, Makati City. The 59-storey condominium tower will offer 563 units, ranging from 29-sqm studio units to 147-sqm three-bedroom units. Amenities include an outdoor tennis court, a splash pad, a floating river, a gym and a dance studio.

Retail

- SM Prime Holdings, Inc. (SMPH) recently opened SM Center Sangandaan. It is the first mall of SMPH in Caloocan City and the 55th in the Philippines. The retail mall development added around 38,600 sqm of GFA. Anchor tenants of the shopping mall include SM Supermarket, SM Appliance Center, SM Cinema, Ace Hardware, BDO and Watsons.
- Japanese retailers such as Fast Retailing Co Ltd, Family Mart Co and Aeon Co Ltd are keen on expanding their business in the Philippines on the back of the country's strong economic growth, increasing consumer spending and young population. On another note, Isetan Mitsukoshi Holdings, operator of Japan's largest department store, has expressed interest in operating in the Philippines.

Hotel/Leisure

- ALI is expanding its Seda brand of hotels as part of the ongoing construction of ten hotel projects that will add approximately 2,000 rooms and are set to open from 2016 to 2018. The Mandarin Oriental Hotel will be the only international brand, while the nine other projects will carry the Seda brand. Due to the expansion of the Seda brand, price ranges are also set to widen with a range of PHP 3,000 to PHP 6,000 per room per night.
- Accor Hotels brings the Novotel brand to the Philippines as it opens the Novotel Manila Araneta Center. The 24-storey hotel, located in Araneta Center, Quezon City, offers 401 contemporary rooms and suites for business and leisure travellers. The hotel houses a wellness centre, a contemporary restaurant, a 2,500-seat grand ballroom and a 2,500-sqm outdoor garden.



For more information, please contact:

Claro dG. Cordero, Jr.

Associate Director
Head – Research, Consulting &
Valuation
Philippines
claro.cordero@ap.jll.com
+63 2 902 0887

JLL

Philippines
+63 2 902 0888

SIGN UP for Real Estate Daily News and feel the pulse of the market!

www.jll.com.ph

<http://www.ap.jll.com/asia-pacific/en-gb/research>