



GENERAL PROPERTY

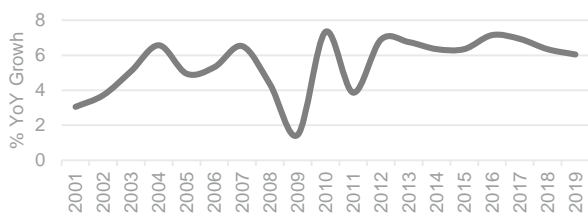
□ Ayala Land, Inc. (ALI) is still keen on pursuing the REIT application worth PHP1.36 billion, although timing is still indefinite due to the COVID-19 pandemic. ALI made the filing to register a subsidiary company, AREIT, to the Securities and Exchange Commission (SEC) last February 2020.

□ Conglomerates approach the COVID-19 pandemic with extra caution as they opt in cutting spending to keep financial position afloat. ALI's capital expenditures (capex) is being eyed for reduction to PHP 70 billion from PHP 110 billion, as their resources are re-directed to more important expenditures and critical projects. The company is also looking at strengthening

investments in the areas of logistics and healthcare after announcing that no new project launches will be made in 2020 citing an adequate development pipeline to offer after the situation finally normalizes. Similarly, Aboitiz Equity Ventures Inc. (AEV) reduced its capex to PHP 47 billion from the previously announced PHP 73 billion as the company carefully assesses opportunities amid the crisis. Both property companies are also eyeing on investments for further digital transformation to adjust to the "new normal" as the effects of the global pandemic subside.

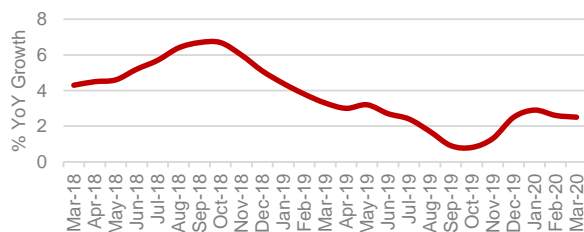
▼ **6.0% YoY**

2019 Annual Real GDP



▼ **2.5% YoY**

Mar 2020 Headline Inflation



Source: Philippine Statistics Authority

OFFICE

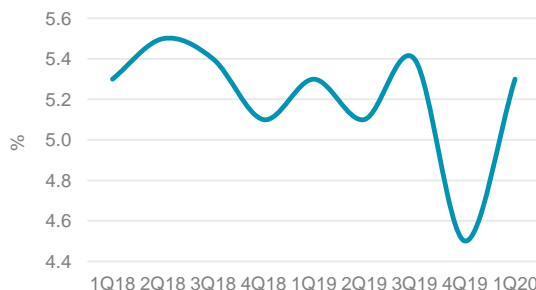
□ While the entire Luzon is still placed under enhanced community quarantine (ECQ) which also includes a ban on construction works, delay in new office supply completions is apparent with only around 40% of the expected stock for completion in Q1 2020 were successfully turned-over to tenants. The demand for office space is also subdued as the pandemic disrupts the expansion plans of the main demand drivers, particularly the IT-BPM (business processing management) and the Philippine offshore gaming operations (POGO) industries.

□ Coworking arrangement is seen to gain more popularity in Metro Manila fueled by the freelancers, entrepreneurs, start-ups, small corporations, IT firms, BPOs, and multinational corporations. Meanwhile, WeWork bids support to Philippine companies to help mobilize their workforce amid the pandemic through back-up flexible workspaces offering as it assesses modifications in their floor layouts to support social distancing.



▲ **5.3%**

1Q 2020 Unemployment Rate



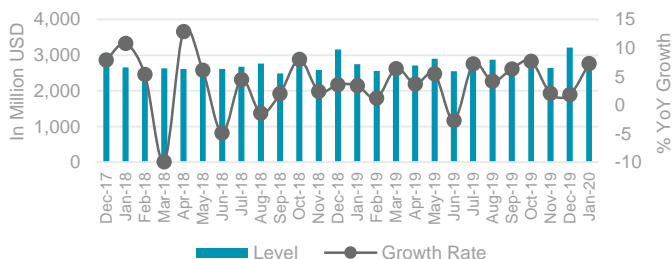
Source: Philippine Statistics Authority



RESIDENTIAL

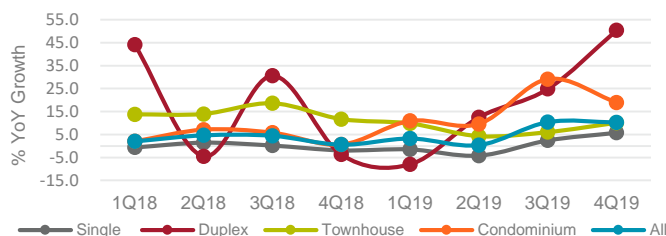
USD 2.94B

Jan 2020 OF Personal Remittances



10.2% YoY

4Q 2019 Residential Real Estate Price Index (Q1 2014 = 100)



Source: Bangko Sentral ng Pilipinas

- Residential prices posted a double-digit year-on-year increase for two quarters straight in Q4 2019. The residential real estate price index (RREPI) recorded an increase of 10.2% in the last quarter of 2019, albeit slightly slower than the 10.4% recorded in the previous quarter.

tours, digital catalogs, and digital campaigns and promotions. The homebuying process also utilizes online payment channels to settle reservation fees.

- A new luxury residential and resort estate has opened in Lapu-Lapu City, Cebu. Tytans Properties and Development Inc. has opened Tambuli Seaside Living in an 11-hectare residential resort community. The developer will also be launching its Phase 2 at the Tambuli Estate.
- Developers are now tapping digital channels to maintain their accessibility during the ECQ. Several real estate developers, including AboitizLand Inc., Robinsons Land Corporation, and Bria Homes are mobilizing contactless homebuying options through virtual

HOSPITALITY

- The gaming industry in Asia-Pacific region is confronted with a fall in profitability as the ongoing ECQ, establishment closures, and travel restrictions are expected to lead to a drop by 60-80% in casino visits. Recovery is seen to be gradual after the containment of the pandemic partly due to weaker consumer sentiment.

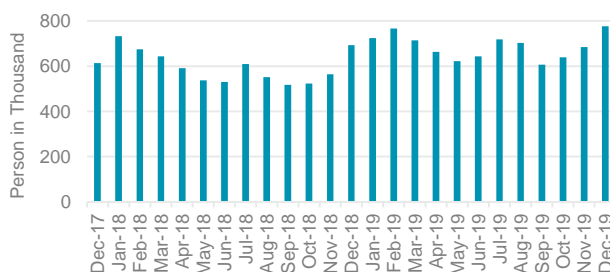
tax relief measures, labor force assistance, and travel stimulus citing imminent closures of a number of accommodation establishments without the extended support from the government. On the other hand, hotels are allowed to operate in areas that have been placed under general community quarantine (GCQ). GCQ is pronounced in those areas with low to moderate COVID-19 risks, allowing for gradual easing of restrictions (under ECQ), subject to stringent health and occupational standards.

- The hotel industry is calling for government support in mitigating the impacts of the COVID-19 pandemic as it wreaks havoc to the sector. The sector is eyeing for assistance in the form of



776,798 Person

Dec 2019 Foreign Visitor Arrivals



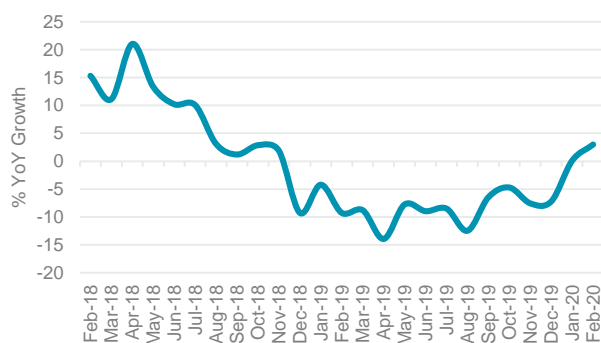
Source: Department of Tourism



INDUSTRIAL/LOGISTICS

▲ 2.99% YoY

Feb 2020 Volume of Production Index



Source: Philippine Statistics Authority

□ Several business groups are urging the government to lower costs at ports and improve logistics efficiency. Among the measures proposed was a moratorium on fees and charges imposed on shipments stuck at the port due to slow customs clearance. The business groups also call on sufficient yards for empty containers, streamlined assessment requirements for the investment promotion agencies, and automation efficiency at the Bureau of Customs (BoC), among others. Further, as the businesses point out that disruptions in the supply chain during ECQ are mainly attributable to delays in ports or checkpoints, they recommend that the technical working group be conducting regulatory impact assessments on issuances related to the

COVID-19 pandemic.

□ While the Aboitiz Group trims spending in infrastructure and power projects subsequent its announced capex reduction, its industrial business unit acknowledges the renewed demand for logistics facilities following the observed e-commerce growth during the COVID-19 situation.

□ Ayala Corporation will be consolidating its energy, water, transport, and logistics businesses under the consolidating entity AC Energy and Infrastructure Corp. in a move that will generate further opportunities for the company's infrastructure business and augment investments in transport and logistics.

RETAIL

□ As consumers are trying to deal with the disruptions brought about by the COVID-19 pandemic, five new consumer market segmentations were identified based on individual coping behaviors. These groups, as classified by the CEO of Hungry Workhorse Consulting are: (1) the Problem Solvers group that actively plans, tries new things, and finds solutions to existing woes, (2) the Emotional Expressionist who let their emotions out in social media, engages in virtual meetups, and seeks appeasing activities, (3) the Understanding Seekers who tries to understand the current situation and seek to learn about it, (4) the Help and Support Seekers

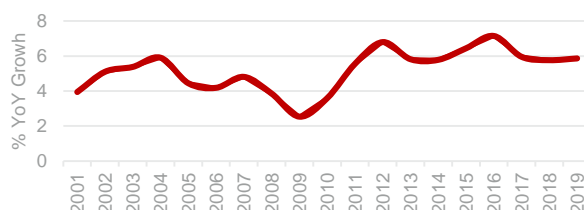
who seek support from others for them to cope, and (5) the Problem Avoiders who look for activities to forget the current problems and act as if nothing is happening. The aforementioned segmentation can be utilized as a guide in addressing different consumer coping needs.

□ Robinson Land Corp. (RLC) is preparing to resume mall operations by May 1, 2020 in select areas outside Metro Manila that are now placed under GCQ. Establishments within the mall that will be allowed to open will continue to implement hygiene and safety measures to further contain virus spread.



▲ 5.9% YoY

2019 Real Annual Household Spending



Source: Philippine Statistics Authority



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