



GENERAL PROPERTY

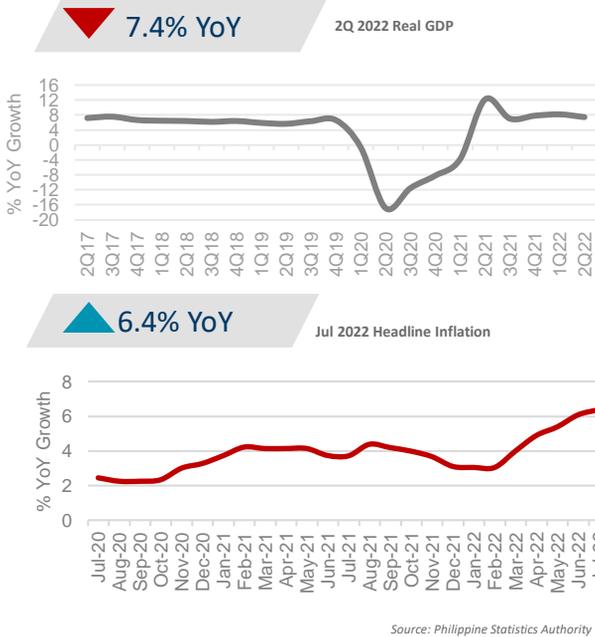
□ During the pandemic, stable internet connectivity has become a necessity to keep up with the demands of work and personal aspects of life. For this reason, the stability of internet connection is seen to have become among the basic utilities, that call for action from the real estate sector and telecommunication companies to promote digital readiness among communities. Whilst Ookla's Global Index has shown improvements in the country's internet speed as of April 2022, sustaining these improvements would require cooperation from both sectors to allow telecommunication infrastructure during the planning stages of residential communities, just as how

planning was made for other utilities such as electricity and water. Building reliable internet connectivity is seen as an important factor in the country's recovery and in promoting consumer economic empowerment. [Read the original article](#)

➤ *Internet infrastructure has become an essential service for various real estate stakeholders. While the pandemic necessitates the internet for remote work functions, landlords and property developers create opportunities through digital real estate marketing. Property developers can also add value to their projects by preparing real estate developments for better internet connectivity.*

□ News article cited

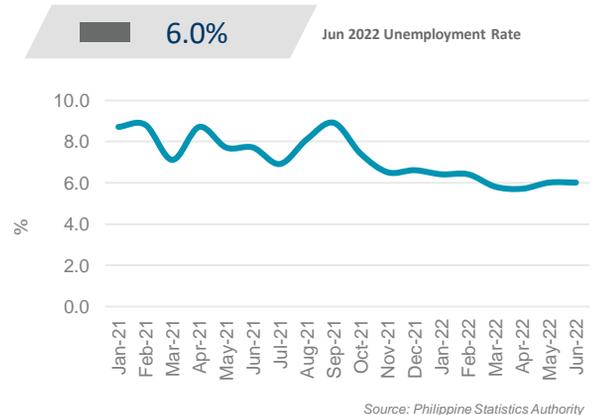
➤ C&W Philippines Research view



OFFICE

□ In a survey released by a US-based NordLayer, the Philippines was found to be among the least attractive countries to work in a remote set up. The country was given a score of 0.555 on a scale of 1 as the highest in the Global Remote Work Index which is based on four factors: cyber security, digital infrastructure, economic and social conditions, and Covid-19 handling. The Philippines ranked 57th out of 66 countries, one notch above Indonesia which ranked 58th but lagged behind other ASEAN economies such as Singapore which ranked 9th, and Malaysia which ranked 33rd. The Philippines' best performance was in terms of cyber security where it ranked 45th while it bottomed in terms of digital infrastructure where it ranked 64th out of 66 economies. Moreover, the country ranked 54th in terms of Covid-19 response and 56th in economic and social conditions. [Read the original article](#)

➤ *It is evident that some sectors such as Information Technology and Business Process Management (IT-BPM) somehow thrived in the implementation of remote work at the height of the pandemic. In the Philippines, reliable internet connection is a major issue, if not the biggest, that poses a threat to its successful implementation of work from home and hybrid set up, challenging the quality of work and productivity of remote employees. As the future of work is seen to be a hybrid of both on-site and remote workplace, building a reliable internet network will complement the country's competitive workforce in attracting investments.*



□ News article cited

➤ C&W Philippines Research view



RESIDENTIAL

To encourage more economic housing developments amidst the surging prices of construction materials, the Department of Human Settlements and Urban Development (DHSUD) and the National Economic and Development Authority (NEDA) have approved hiking the price ceiling for economic housing units from PHP 1.7 million to PHP 2.5 million. The increase in selling price for the housing segment is seen to mitigate the burgeoning input prices that make investments in this area unattractive to property developers. Moreover, the Subdivision and Housing Developers Association (SHDA) is seeking a discussion with major suppliers and producers of construction materials to allow special arrangements for

bulk purchases and allow bundling of products to alleviate the impacts of the surge in prices and ensure availability of construction supplies.
[Read the original article](#)

➤ *The pressure to further increase construction costs will likely impact the selling prices of new housing unit supply, driving faster growth of prices in the overall residential segment in the near term. Along with the persistent supply chain bottlenecks, the resumption of various construction activities by developers could result in potential delays in the completion of some projects in the near term.*

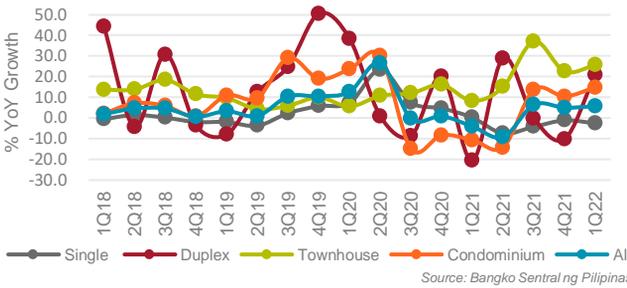
3.8% YoY

Apr 2022 OF Personal Remittances



5.6% YoY

1Q 2022 Residential Real Estate Price Index (Q1 2014 = 100)



News article cited

➤ C&W Philippines Research view

HOSPITALITY

Anticipating the recovery of the tourism and leisure market, the Global-Estate Resorts, Inc. (GERI) is set to open this year its 1,200-seater convention center on the island of Boracay, while the opening of its new hotel is set on 2023. The new establishment adds to GERI's portfolio in the Boracay Newcoast project that also houses the Newcoast Village and Oceanway Residences. As the new project support GERI's hotel business on the island, it aims to further serve the meetings, conventions, expositions, weddings, and events (MICE) industry in Boracay. The island remains a premier tourist destination in the Philippines where the demand for leisure offerings is sustainable. Further, the company has earmarked around PHP 2 billion in 2022 for the

land acquisition and construction of previously launched projects while it aims to launch two townships in 2023.

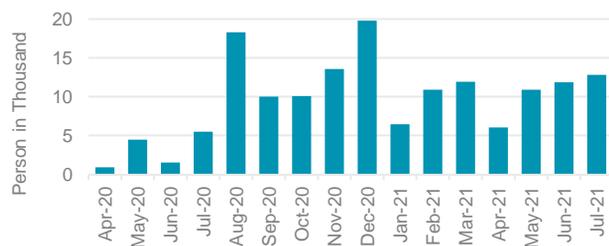
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➤ *The sustained business activities that kickstart business travels, in addition to the boom in domestic travel for tourism purposes have influenced a quick rebound (although still not as strong during pre-pandemic days). The increasing confidence to travel, however, may be hampered by potential indiscriminate increases in airfares due to volatile fuel prices discouraging domestic tourists, particularly in the budget travel market. Meanwhile, effective management of COVID-19 infection cases remains key in sustaining the hospitality segment's recovery.*



11.8 Th Persons

Jul 2021 Foreign Visitor Arrivals



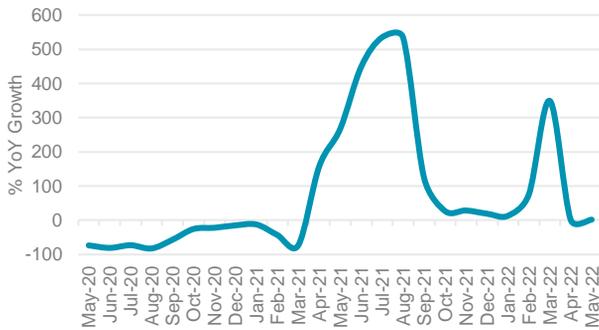
Source: Department of Tourism



INDUSTRIAL/LOGISTICS

▲ 1.9% YoY

Apr 2022 Volume of Production Index (2018 = 100)



Source: Philippine Statistics Authority

□ The Semiconductor and Electronics Industries in the Philippines Foundation, Inc. (SEIPI) continues to call for the ratification of the Regional Comprehensive Economic Partnership (RCEP) as the country is seen to be at a disadvantage over those that already joined the world's largest trade deal such as Australia, China, Japan, South Korea, New Zealand, and the ten member countries of the ASEAN. Whilst the Philippines' electronics industry remains competitive mainly due to its workforce advantage, joining the trade agreement will make the industry more exports competitive. The RCEP is still pending in the Philippines as it awaits the concurrence from

the Senate while the SEIPI hopes that the observed capital flight of USD 3.2 billion could not get any worse as the country awaits its ratification. [Read the original article](#)

➤ Whilst the e-commerce industry is propelling the industrial segment forward (mainly due to increased requirements for logistic facilities and warehouses), the manufacturing and trade sectors make up the bulk of the remaining demand for warehouse facilities and industrial lots. Bolstering the country's trade and investments through RCEP participation will also significantly boost the industrial segment's future growth.

□ News article cited

➤ C&W Philippines Research view

RETAIL

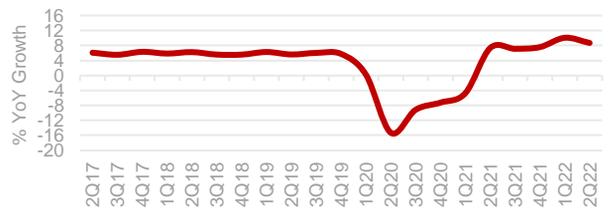
□ Citing the recorded growth in the country's retail trade data which has been exhibiting improvements since Q2 2021 to reach PHP 605 billion in Q1 2022, from PHP 559 billion a year ago, the Philippine Retailers Association (PRA) is optimistic about the recovery of the retail segment despite the external headwinds. The industry noted a sustained improvement in foot traffic whilst it is being challenged by the global logistical issues that resulted in a longer lead time for shipments, also suggesting an increase in the volume of orders as economic activities are gradually normalizing. [Read the original article](#)

➤ Driven by the resurgence in consumer spending, the retail segment is on track to regaining its pre-COVID performance. The upward inflation direction, however, may decelerate its recovery momentum in the short term, mainly due to the impacts on purchasing power and consumer confidence.



▼ 8.6% YoY

2Q 2022 Real Household Spending



Source: Philippine Statistics Authority

□ News article cited

➤ C&W Philippines Research view

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