



## GENERAL PROPERTY

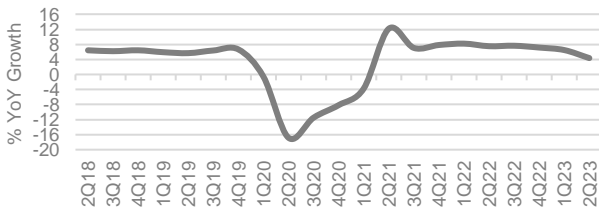
After the country's first ever Real Estate Investment Trust (REIT) listing in 2020, the Department of Finance (DoF) estimated that the capital raised from the current eight REIT offerings is at PHP 93.3 billion while the total capitalization is estimated at PHP 228.5 billion. The DoF further encourages companies to launch more REITs as it is seen as an important instrument in driving greater financial inclusion in the economy as about 98% of REIT investors are individual investors. Aside from stimulating the country's capital market and creating more business opportunities, REITs are also seen to promote economic recovery and infrastructure modernization. Meanwhile, the impending passage of the Property Valuation and Assessment Reform law which seeks to promote the development of a just, equitable, and efficient real property

valuation system is seen to enhance the revenue generation capacity from real property, and provide the necessary funding support for local government units (LGUs).  
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➤ *The Philippine REIT market has the potential to thrive given the country's healthy population growth and rising middle-class segment that are looking for long-term investments. While still at its nascent stage in the Philippines, many potential investors have reservations on the viability of REITs due to the lingering prospect of slower global and local economic growth.*

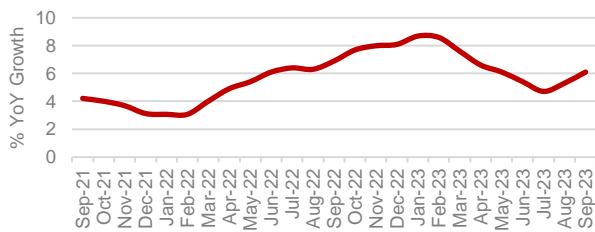
4.3% YoY

2Q 2023 Real GDP



6.1% YoY

Sep 2023 Headline Inflation



Source: Philippine Statistics Authority

News article cited

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## OFFICE

Driven by the observed talent gap in North America and increased demand by US outsourcing companies, the IT and Business Process Association of the Philippines (IBPAP) is optimistic that the country's information technology and business process management (IT-BPM) industry will reach the set revenue target for 2023 which is at USD 35.4 billion. Hitting the industry target will translate to a growth of 8.8% for the IT-BPM sector, breaching the global industry growth of 7.7%, and will also increase the sector's share to the country's Gross Domestic Product from 7% in 2022 to 8% this year. The number of full-time employees in the sector also grew by 8.7% in 2022, which is above the global industry's performance in terms of headcount growth. The IBPAP also recognizes the government's efforts in promoting policies that allow companies to adapt to the changing

work landscape, which has also helped in attracting foreign investments. Similar expansion of the sector is also observed in locations outside the capital region, with areas such as Cagayan de Oro, Cebu, Clark, Davao, and Iloilo becoming the preferred locations of the outsourcing companies.

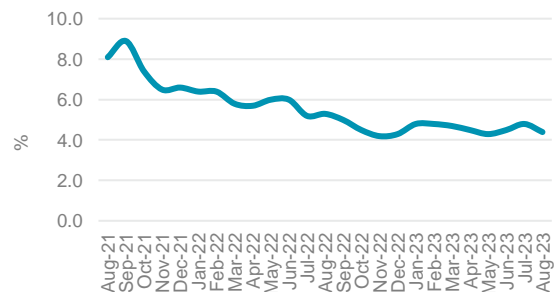
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➤ *Global demand for outsourcing business activities has boomed during the pandemic. It is expected to grow further as many companies are still trying to emerge from the crisis and see outsourcing as a sensible cost-resilience strategy. Being among the top outsourcing locations, the IT-BPM has also become among the best-performing industries in the country and remains the main driver of the office segment.*



4.4%

Aug 2023 Unemployment Rate



Source: Philippine Statistics Authority

News article cited

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## RESIDENTIAL

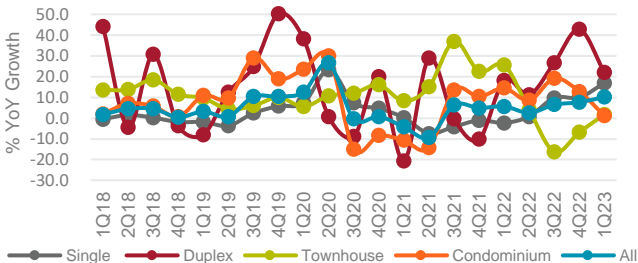
2.5% YoY

Jul 2023 OF Personal Remittances



10.2% YoY

1Q 2023 Residential Real Estate Price Index (Q1 2014 = 100)



Source: Bangko Sentral ng Pilipinas

In its latest trend report, Lamudi noted that leads for commercial properties on the platform grew by 30% q-o-q in Q2 2023 as commercial investments continue to increase. Notably, the region of CALABARZON is attracting the interest of potential buyers with four of its five provinces being in the top 10 locations for lots for sale, particularly the provinces of Rizal and Laguna which tops the list for the economic price segment. While Cavite, Batangas, and Rizal are the most searched locations for agricultural lots for sale, Metro Manila continues to receive the most leads for commercial lots, followed by areas of CALABARZON and Pampanga. Lamudi attributes CALABARZON's performance in terms of generating leads to its adequate infrastructure, while the region is also focusing on its priority industries, which include

information technology, metals, electronics, automotive, and petrochemicals. In the past few years, CALABARZON has positioned itself as the premier location for technoparks while it has also attracted a number of investments in residential, mixed-use, and commercial property developments as investors are pushing investments outside the highly saturated property market of Metro Manila.

[Read the original article](#)

The anticipated infrastructure boom will continue to create development opportunities by enhancing the accessibility of new growth areas outside Metro Manila. The completion of new infrastructure projects helped improve the attractiveness to buyers, prompting new launches of integrated property developments in Central Luzon and CALABARZON.

News article cited

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## HOSPITALITY

Despite the surging inflation, the travel industry continues to see an increase in bookings that reflects the consumers' sustained appetite for travel. Visa applications are also seen to surpass the pre-pandemic levels according to BLS International, an online visa application center, wherein their current daily appointments are seen to rise by around 30% to 100% of pre-COVID-19 crisis level. In H1 2023, Philippine Airlines (PAL) also saw an 89% increase in passenger volumes, which led PAL to book record revenue and allowed the company to invest in new aircraft and technology. The same experience is shared by United Airlines Philippines,

which remains optimistic about the country's domestic and international travel market.

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The surge in international visitor arrivals, complementing domestic demand, is reinvigorating the hospitality segment despite the surge in air fares, staffing issues, and overall escalation of price levels. Moreover, hotel occupancy rates are expected to post modest growth due to the upcoming holiday season, further strengthening the segment's post-pandemic recovery.



437.6 Th Persons

Aug 2023 Visitor Arrivals



Source: Department of Tourism

News article cited

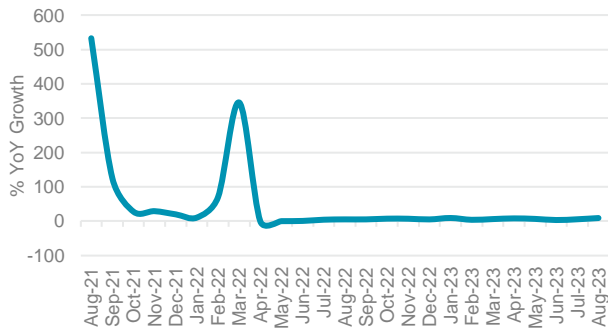
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## INDUSTRIAL/LOGISTICS

**8.5% YoY**

Aug 2023 Volume of Production Index (2018 = 100)



Source: Philippine Statistics Authority

□ In a report published by Ken Research, the logistics industry's share to the country's GDP is at 4-6% and the industry is seen to grow by 8.2% CAGR from 2022 to 2027 to reach a market size of PHP 1.16 trillion. Whilst the industry is rapidly progressing, among the challenges that could impede its sustained growth are the shortfall in areas of infrastructure and technology adoption, which are more prevalent in the rural areas. Also, while the global transport and logistics industry continues to evolve with the adoption of various technologies that are necessary for transportation and logistics companies to withstand the economic, geopolitical, and environmental challenges, the Philippine market continues to heavily rely on manual processes and human resources. Meanwhile,

the burgeoning e-commerce, which is seen to increase its share in the total retail market from 2% in 2020 to about 7%, should prompt further technology development that allows effective and transparent logistics services. [Read the original article](#)

➤ *Propelled by the ever-increasing demand for real-time access to goods and services, e-commerce is becoming a significant engine of the economy. With proper government support and investment to enhance internet penetration in the Philippines, e-commerce demand is expected to further increase. Investments in the industrial and logistics segments will continue to spur in key industrial hubs in order to support the growth momentum of the digital economy.*

□ News article cited

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## RETAIL

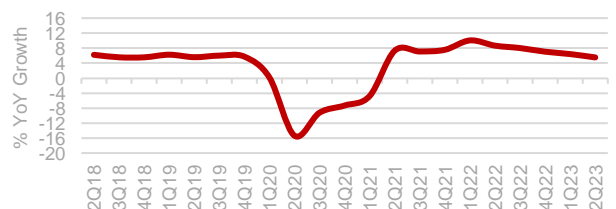
□ Lacome, a French beauty brand, is eyeing its reentry into the Philippine market after the brand's exit around the year 2015. The brand sees greater opportunity in the soaring luxury market driven by the Gen Zs, which has also altered the market through their increased requirements for "sophistication, personalization, and elevated experience", as well as the rising number of high-income consumers. Noting a study in 2018, the mass-affluent class in the country is seen to increase by 8% annually from 2017 to 2030. Lacome currently has a pop-up store in Greenbelt 5, while the stand-alone store is expected to open this year. [Read the original article](#)

➤ *The luxury retail segment in the Philippines is among those that remained resilient during the pandemic due to its deep-rooted loyalty among its patrons. Luxury brand locators could take advantage of the country's emerging luxury market, which can also be attributable to effective digital marketing strategies targeted towards the growing internet-savvy consumers in the country.*



**5.5% YoY**

2Q 2023 Real Household Spending



Source: Philippine Statistics Authority

□ News article cited

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