

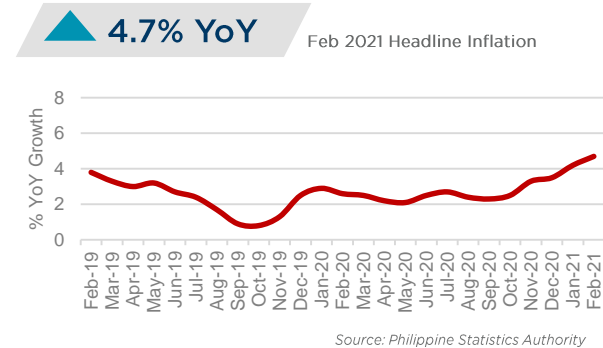
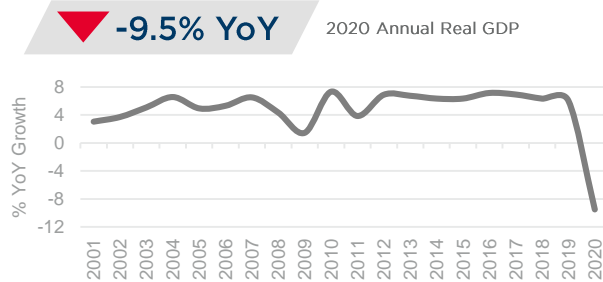


GENERAL PROPERTY

□ The construction materials wholesale price index (CMWPI), a measure of Metro Manila's wholesale construction materials prices, accelerated in February, posting a year-on-year (YoY) growth of 2%. Although the recent recorded growth, which is the highest in 16 months as compared to the 1.5% YoY during the same period last year and 1.2% YoY a month ago, can be partly attributed to the base effects, the upsurge in construction activities after last year's slowdown is a major contributing factor. Commodity groups that show significant price hikes in February as compared to their YoY growths in January include glass and glass products at 14.4% from zero growth, fuels and lubricants at -0.3% from -7.5%, plumbing fixtures and accessories/waterworks at -1.3% from -3.3%, reinforcing and structural steel at 3.3% from 1.7%, electrical works at 0.4% from zero growth, and concrete products and

cement at 1.2% from 0.8%. Meanwhile, prices are more tamed for lumber at 2.8% from 3.6% in January, PVC pipes at 0.6% from 1.3%, tileworks at 2.2% from 2.6%, and painting works at 0.3% from 0.4%.
[Read the original article](#)

➤ The construction industry has gone through a rough patch last year as its operations were constrained and the timeline of several real estate projects has been stretched. In recent months, construction activity has significantly picked-up following the easing of regulations towards public and private constructions, driving construction material prices upwards. In terms of demand, public construction is seen to lead the industry as private developers, after taking sizeable financial pressures due to the pandemic, slack off on new construction projects while they wait for a more stable business environment.



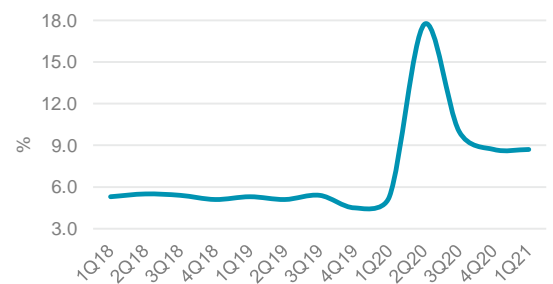
OFFICE

□ Despite a challenging start in implementing work-from-home (WFH) arrangement at the onset of the pandemic, the level of productivity in the business process outsourcing (BPO) industry improved by around 15% to 40% increase in employee productivity and a decline of up to 40% in employee absences. Avoiding having had to attend to some family related engagements and the time saved traveling to and from offices translated to better work performance while the volatile job market condition reduced the industry's rate of attrition. In terms of real estate and other expenses, the industry estimated to have reduced

around 20% of the cost whilst additional expenses were incurred for connectivity and other WFH essentials for employees who are working remotely.

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➤ As the pandemic progresses, more businesses have invested in WFH software and tools and realized the cost-benefit of the remote working set-up. The future of work points to a blended workforce with companies adapting more flexible working arrangements. Industries ascertain that jobs that were entirely office-based will not compromise productivity and efficiency when done remotely.



Source: Philippine Statistics Authority

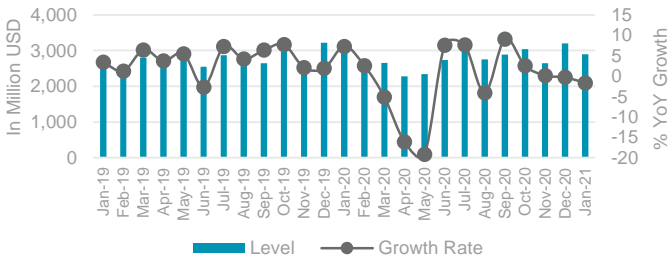


RESIDENTIAL

- Stressing the property sector's role in stimulating economic revival, the Department of Human Settlements and Urban Development (DHSUD) looks at augmenting the country's housing projects to generate more employment. The central housing authority also considers increasing the private sector's participation in the endeavor to promote synergy in public-private housing development efforts. [Read the original article](#)
- Encouraging the involvement of the private sector in the affordable housing segment will not only provide the much-needed economic stimulation but will also potentially alleviate the country's chronic affordable housing shortage situation. However, with the current strenuous list of requirements and long-standing processes, the government's efforts should start with streamlining processes to entice more private sector participation.

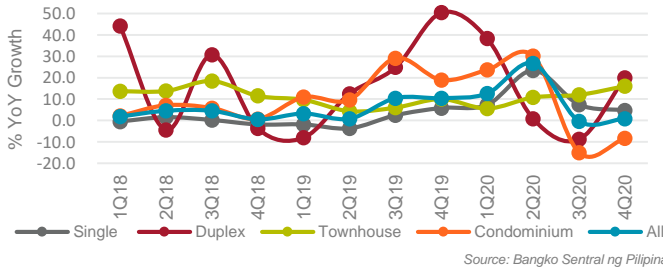
▼ USD 2.9B

Jan 2021 OF Personal Remittances



▲ 0.8% YoY

4Q 2020 Residential Real Estate Price Index (Q1 2014 = 100)



Source: Bangko Sentral ng Pilipinas

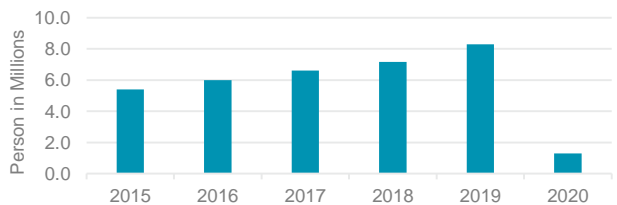
HOSPITALITY

- The Tourism Promotions Board (TPB) Philippines commences the first hybrid Tourism & Technology Forum (TTF), attended mostly virtually by more than 900 tourism stakeholders including tech industry giants, to facilitate information dissemination on the recent developments and innovations in technology particularly in the 'Smart Tourism' campaign. The campaign seeks to "strengthen digital platforms, ensure data-driven planning, and expand other tools for promotions and marketing". Smart tourism targets the enhancement of resource management efficiency, competitiveness, and sustainability using technological innovations and practices. The forum also aims for the simultaneous sharing of information on the best practices and new ideas to counter the pandemic challenges. [Read the original article](#)
- Following the newly-adopted global practices in re-opening the sector in other countries, the local hospitality industry needs a strategic framework given the altered demand landscape. Once the growth in the number of infection cases is completely controlled, the hospitality industry can reinvent the business models of hotels, restaurants, and meeting venues for weddings and other events to enhance the level of safety and confidence by its major demand drivers.



▼ 1.3 Mil. Persons

2020 Annual Foreign Visitor Arrivals



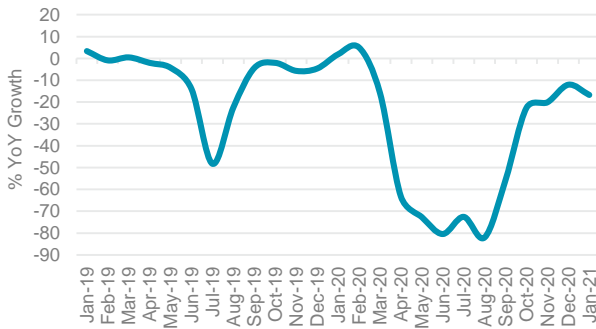
Source: Department of Tourism



INDUSTRIAL/LOGISTICS

-16.7% YoY

Jan 2021 Volume of Production Index (2018 = 100)



Source: Philippine Statistics Authority

□ The Philippine Economic Zone Authority's (PEZA) investment approvals covering applications received in February and March 2021 reached PHP 13.19 billion. The investments are comprised of 33 projects of which three (3) are for ecozone developments while 30 are business enterprises engaged in export (12), information technology (11), facilities (5), logistics (1), and utilities (1). PEZA aims to secure PHP 100 billion worth of investment pledges in 2021 after the recorded 19% YoY decline in investment approvals last year to PHP 95 billion, from the PHP 117.54 billion worth of investment pledges in 2019.

➤ The passage of the proposed Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act into law this month which immediately cuts down the current corporate income tax rate of 30% to a low of 25%, retroactively from July 1, 2020, is seen to enhance the attractiveness of the Philippines' industrial segment to foreign locators. The Republic Act (RA) 11534 or the CREATE Act is seen to greatly benefit the still recovering manufacturing and electronic industries which are the main drivers of the industrial segment.

[Read the original article](#)

RETAIL

□ The two-week stricter community quarantine measure being imposed in Metro Manila and the surrounding provinces of Bulacan, Cavite, Laguna, and Rizal, which will last until April 4, is seen to cut the retail sector revenue by up to 70% as businesses are once again not able to operate at full capacity. The already hard-hit non-essential retailer group such as restaurant and fast food establishments will eventually take the deepest revenue dive in a move that limits mobility and business activities within the 'NCR Plus' bubble which masses the highest rates of COVID-19

infections cases. The immediate vaccine distribution is perceived as the major solution to calm the health and safety concerns of consumers that result in lower foot traffic in retail and food establishments.

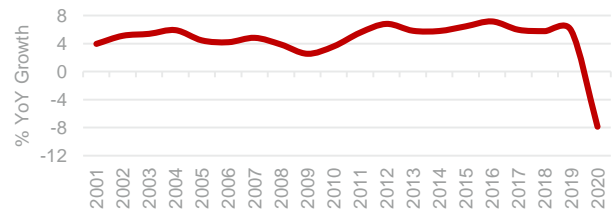
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➤ The unprecedented pressure that the retail segment is currently battling, as the pandemic continues to disrupt the paths of recovery, should compel developers and retailers to incorporate varied e-commerce options and contactless customer experience as possible long-term solutions.



-7.9% YoY

2020 Annual Real Household Spending



Source: Philippine Statistics Authority

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