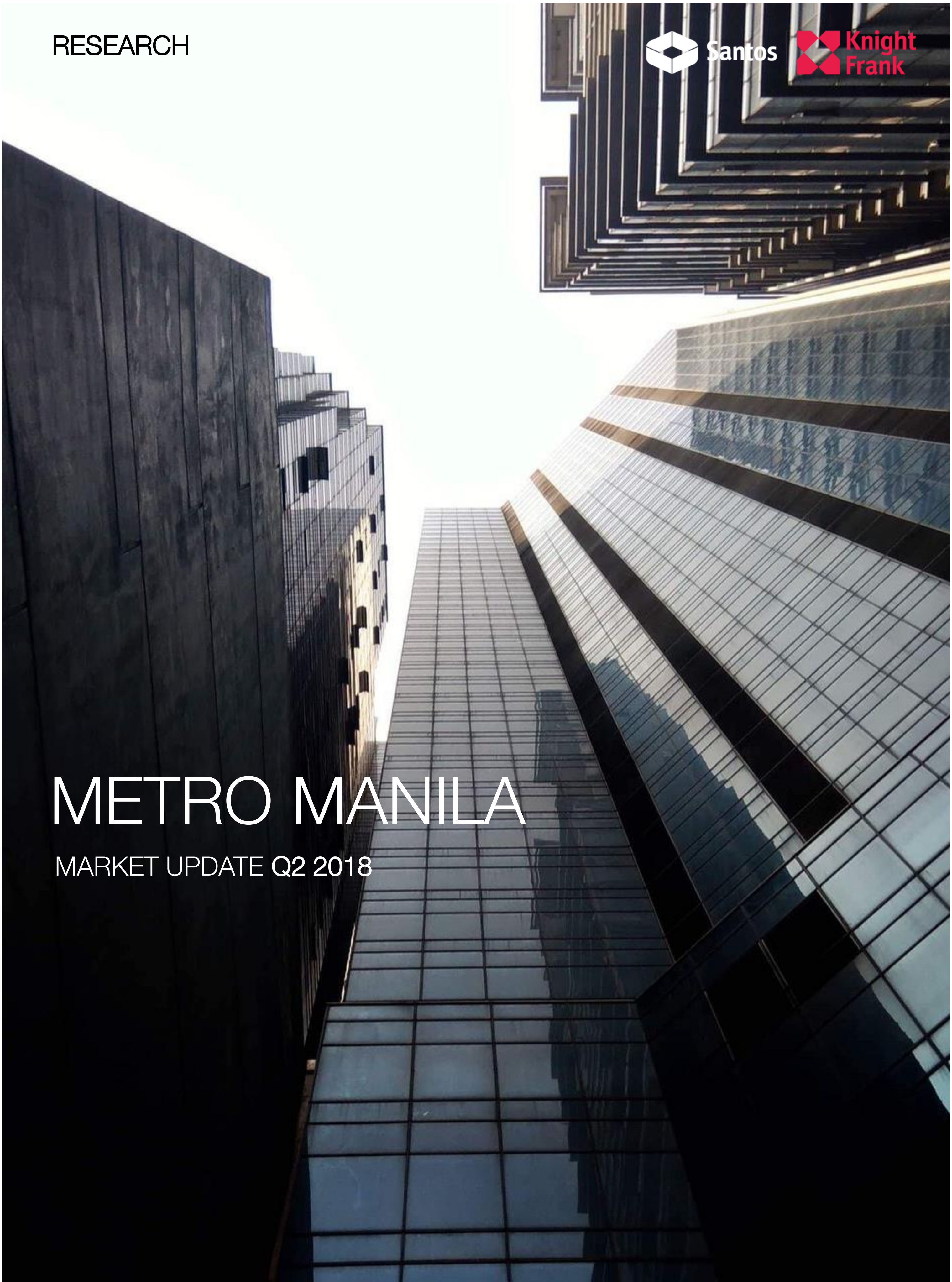
RESEARCH



METRO MANILA

MARKET UPDATE Q2 2018

METRO MANILA REAL ESTATE SECTOR REVIEW

THE PHILIPPINES SOLIDIFIES ITS POSITION AS A TOP GLOBAL INVESTMENT DESTINATION

COVER | More investors expected with the ratification of the law on Ease of Doing Business

SNAPSHOTS
Economic Indicators

6.0% ▼
GDP
Q2 2018

5.2% ▲
Inflation Rate
June 2018

2.7% ▲
OFW Remittances
June 2018

5.9% ▲
Avg. Bank Lending
June 2018

3.36% ▲
91-Day T-Bill
June 2018

53.05 ▼
Avg. PHP-USD
June 2018

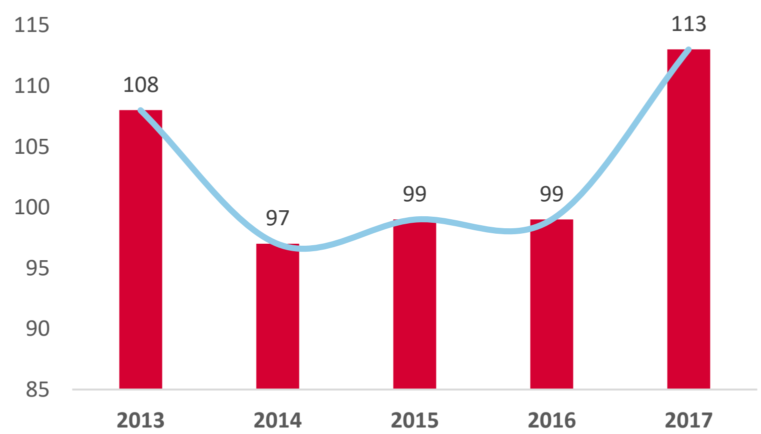
The passage of the Ease of Doing Business (EODB) and Efficient Government Service Delivery (EGSD) Act of 2018 comes in timely, supporting the current administration's 7 to 8% average economic growth for the duration of its 6-year term. In the second quarter of 2018, the country experienced economic resurgence as it outpaced wealthier Asean neighbors, such as Indonesia and Malaysia. With the aim of maintaining the country's good economic momentum and to complement the administration's massive infrastructure programs, the EODB and EGSD Act of 2018 is expected to result to an efficient turnaround in the delivery of government services for both business and non-business-related transactions, as well as avert graft and corrupt practices.

The Act presents a stringent governmental action on its business application services, with a provision for automatic approvals of application processes lasting more than the prescribed period, so long as all documents required have been submitted and all applicable fees are paid. The government is tasked to gradually elevate its business application standards in three years' time, with the Department of Information and Communications Technology (DICT) being the chief implementer of the transition. Other government agencies requiring the same data, which is given during the business application process, would simply have to access the Philippine Business Data Bank that stores all the information. The DICT and concerned agencies are tasked to create and maintain this system.

Taking the cue from other developed nations, such as Singapore and New Zealand that consistently ranked as the top countries in the World's Ease of Doing Business Index, the Philippines has finally started creating its own version of a friendlier and a more welcoming business environment for the benefit of its citizens and investors

Continued on Page 10…

Figure 1
Ease of Doing Business Historical World Ranking (Philippines)



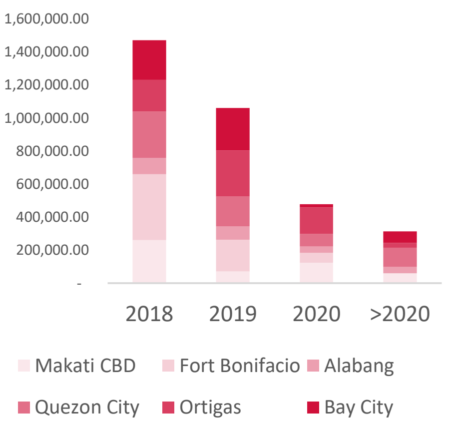
Source: Trading Economics

SUSTAINED POSITIVE OUTLOOK FROM AN EXPANDING METRO MANILA OFFICE SECTOR

OFFICE | Demand for office space remains upbeat and unflagging

FIGURE 2

Upcoming Supply (in sq.m.)



Source: Santos Knight Frank Research

In the second quarter of 2018, the demand and supply indicators continued to display a positive Metro Manila office sector outlook. The overall vacancy rate remained within single digits, which has been the case since the first quarter of 2010. Q2 2018 vacancy moved to 4.51%, coming from 4.91% in the first quarter of the year, indicating continuous strong demand in the market. In addition, net absorption in the second quarter was estimated at 20,000 square meters of office space, which brought the total occupied space to 4.67 Million square meters of Prime and Grade A office space.

Continuous construction and development activities is notable in Metro Manila. With new office building completions slated within the year, an additional 1.5 million square meters of office space is expected to add to the present office stock. Most of the upcoming supply is pre-committed to tenants, who are already anticipating the scheduled turnover of their new office space.

The biggest portion of this year's upcoming office supply will be in Taguig, which includes Bonifacio Global City (BGC), McKinley Hill projects and Arca South. In BGC, Daiichi Properties and Development Inc.'s 44-storey project, The Finance Centre, will be adding more than 56,000 square meters of leasable office space to the total office supply in the area. In Arca South, 5 office buildings are slated for turnover in the fourth quarter.

At present, Fort Bonifacio boasts of recording the largest Prime and Grade A leasable office area among the Central Business Districts (CBDs) in Metro Manila. Moreover, it is expected to further expand, taking advantage of the growing investor interest in the country. Real estate was reported to be among the top 5 destinations of investments in the Philippines during the first half of 2018.

Continued on page 10. . .

TABLE 1

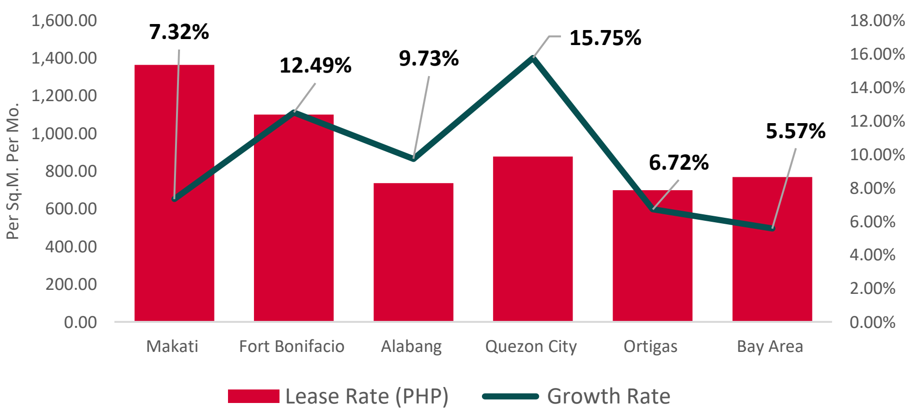
Q2 2018 OFFICE DATA

Area	Weighted Avg Lease Rates (PHP/sq.m./mo.)	Vacancy Rate
Makati	₱1,362.05	2.52%
Taguig	₱1,099.53	3.24%
QC	₱876.94	9.83%
Ortigas	₱697.49	6.41%
Alabang	₱734.85	4.89%
Bay Area	₱767.12	1.14%
METRO MANILA	₱1,010.17	4.51%

Source: Santos Knight Frank Research

FIGURE 3

Weighted Average Lease Rate (in PHP) and Year-on-Year Growth Rate (in %)



Source: Santos Knight Frank Research

THE METRO MANILA RESIDENTIAL SECTOR MAINTAINS MOMENTUM AMIDST CHALLENGES

RESIDENTIAL | Rising demand for residences seen as a product of office sector growth

In the second quarter of 2018, the Philippine Gross Domestic Product (GDP) continued its upsurge but at a slower pace. Nevertheless, residential property developers still enjoy high take-up rates as a buoyant office market resulted to a parallel towering demand for residences. In Makati and Taguig, monthly take-up went up by 7 units each.

An increasing number of companies are searching for proximate living spaces near their respective offices. These serve as employee housing for their expats from mainland China. A rise in demand for smaller units was subsequently noted. The first quarter's monthly take-up for a 1-bedroom unit in Makati was at 9 units per month. In the second quarter, it soared to 19 units per month. Studio units in Taguig, on the other hand, had a modest take-up of 2.8 units per month, which sky rocketed to 35.5 units per month in the second quarter.

Even for emerging business districts like Arca South, which claims to be the next Bonifacio Global City (BGC), absorption is at very high levels. Most of the projects in Arca South already reached the maximum foreign ownership limit. Avida Vireo Tower 2 is 67% sold, within 3 months from its launch date. Investors are expecting immense capital appreciation as they anticipate the same favorable response from the market as that seen in Ayala Land's Serendra towers.

With its proximity to the Ninoy Aquino International Airport (NAIA), presence of various integrated resorts, property developments and activity centers, the Bay Area in Pasay became a most ideal location for real estate investment. Consequently, the Bay Area achieved a 98.52% sell out rate. Supported by robust demand, the Bay Area is continuously commanding escalating prices, notably achieving a 62.2% Year-on-Year (y-o-y) growth rate, which is much faster compared to the other Central Business Districts in Metro Manila. This likewise raised the prices of mid-income projects in the Bay Area from the first quarter's base rate of ₱123,000 per square meter to the astounding ₱165,000 per square meter in the second quarter. Other projects even went as high as ₱240,000 per square meter. However, the limited supply of purchasable inventory constricted the expansion of the market, causing the decline of the average monthly take-up and forcing the market to buy in fringe areas.

Continued on Page 10…

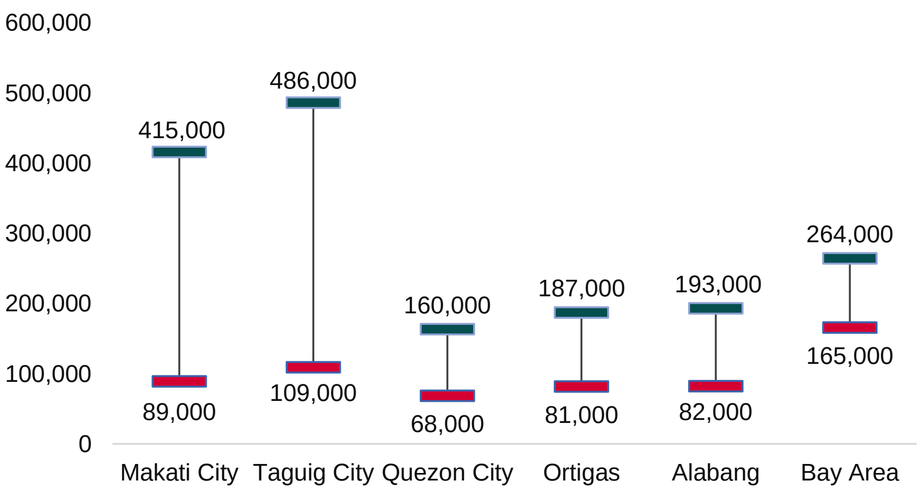
TABLE 2
Q2 2018 Residential Condominium Sales Market Statistics

Area	Units Sold (%)	Avg. Monthly Take-up
Makati City	96.04%	22.77
Taguig City	96.44%	17.88
Quezon City	89.12%	31.16
Ortigas*	91.64%	37.83
Alabang	75.40%	9.87
Bay Area	98.52%	41.11
METRO MANILA	**92.77%**	**27.06**

*Includes parts of Mandaluyong, Pasig, and San Juan

Source: Santos Knight Frank Research

FIGURE 4
Indicative Average Selling Prices per Area (PHP/sq.m.)



Source: Santos Knight Frank Research

NEW STRATEGIC RETAIL CONCEPTS BOOST THE METRO MANILA RETAIL SECTOR

RETAIL | Metro Manila retail sector experiences glory days with the launch of new market trends

Consumer spending continued to ramp up the Metro Manila retail sector in the 2nd Quarter of 2018, causing retailers and developers to expand in order to continually cater to the Filipino consumers. The recent report of the Philippine Statistics Authority showed a rise in consumer spending of the average Filipino compared to the previous quarter of the year. A significant increase in the spending on food, beverages, clothing, and recreation was noted.

OPENINGS & EXPANSIONS

Retail developers continue to expand their retail portfolios by launching additional shopping malls, retail establishments and attractions around Metro Manila. Walter Mart's *'W Mall'* along Macapagal Boulevard in Bay Area, Pasay opened its doors to the public last April 2018. W Mall is a 12,000-square meter neighborhood mall which houses Abenson anchor stores such as Abenson Appliance Center, Abenson Home, W Department Store and Walter Mart Supermarket.

Ayala Malls Circuit in the emerging Circuit Makati development starts its operations in July 2018. *Ayala Malls Circuit* dubs itself as the "Speedway to Entertainment" due the various innovative attractions being offered such as gaming lounges, go-kart race track, concert grounds, and cozy cinemas, placed together within the former Sta. Ana Race Track.

Mall expansions continue to improve the shopping and dining experience, as physical shops adapt to the rise of e-commerce and online shopping. *Robinsons Magnolia,* one of Robinsons Land's premier lifestyle malls, is currently adding more than 10,000 square meters of mixed-use leasable space to its current 40,000 square meters leasable space. The expansion is scheduled to be completed by 2018.

W Mall (Bay Area, Pasay)
Source: Manila Bulletin


Ayala Malls Circuit Lane
Source: Circuit Makati

Ortigas & Company is adding 13,000 square meters of mixed use leasable space to *Estancia Mall* as part of their Capitol Commons project in Ortigas Center. The expansion is set to be completed by Q3 of 2019.

Araneta Center's *Gateway Mall Expansion* in Cubao broke ground last August 7, 2018. The *Gateway 2* project is set to be a 120,000-square meter premier lifestyle mall at the heart of Cubao in Quezon City.

Filinvest Development Corporation recently completed the expansion of *Festival Supermall* in Alabang. Filinvest added 150,000 square meters of leasable space, making Festival Mall the biggest mall in the south area.

SM Mall of Asia in Bay Area, Pasay reclaimed the top spot as the biggest mall in the Philippines as SM Supermalls added another 250,000 square meters of gross floor area to its current 470,000 square meters gross floor area. The MOA expansion started in 2016 to celebrate the mall's 10th anniversary. This expansion features a football field, Olympic-size ice skating rink, food hall, and a lot of upcoming luxury and international brands such as Rolex and IKEA.

NEW BRANDS

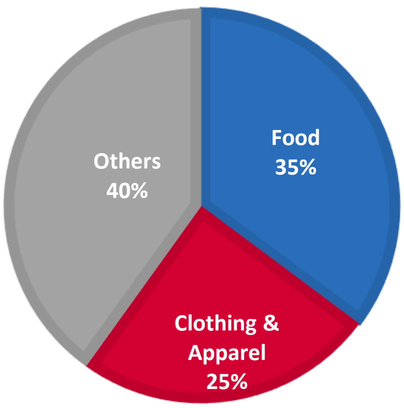
Influences from other countries played a vital role in the growth of the retail industry. Local and international brands continue to penetrate the market, opening up stores inspired by the cultures of other countries. The most notable upcoming international brand is *'Hawker Chan'* restaurant. Originally called "Liao Fan Hong Kong Soya Sauce Chicken Rice Noodle", the hawker stall in Singapore was opened by Chan Hong Meng in 2009. It has been recognized as the "Cheapest Michelin-Starred Restaurant in the World". Moreover, Hawker Chan is known for serving only roasted pork and chicken dishes. The brand was brought into the Philippines by Foodee Global Concepts, which is also responsible for bringing in Tim Ho Wan and Llaollao. Hawker Chan unveils its first branch in SM Mall of Asia in July and another upcoming branch will soon open in SM North EDSA.

The prominence of Japanese and Korean cultures has been evident in the growth of the retail sector. Japanese restaurants such as *Marugame Udon, Ikkoryu, Tsujiri, Ippudo, Jinsei Sushi Bar & Yakitori,* *and Nadai Fujisoba* will soon be opened in SM North EDSA (QC), Trinoma (QC), Uptown Mall (BGC), Greenbelt (Makati), Ayala the 30th Mall (Ortigas), Powerplant Mall (Makati), and Bonifacio High Street (BGC), bringing in authentic Japanese food culture to Filipinos. Filipinos love for Korean culture have given an opportunity for Korean brands and Korean-themed retail stores to come into the Filipino market as brands such as *The Saem International, Hobing, K Bingsu, Sam's Stew, and Snowbing* open their stores in Trinoma (QC), Robinsons Galleria (Ortigas), Glorietta (Makati), Vertis North (QC), and Shangri La Plaza (Ortigas) respectively.

As of the 2nd Quarter of 2018, there are 287 upcoming brands in all of the leading retail establishments in Metro Manila. Out of 287 upcoming brands, 25% is made up of clothing brands, jewelry brands, luxury timepieces, footwear brands, and apparel brands. Another 35% of the upcoming brands are food businesses such as restaurants, coffee shops, tea shops, and specialty food stores. The rests are from other retail categories such as entertainment, health clinics, salons, school and office supply brands, computer retail stores, variety stores, concept stores, collaborative spaces, sports retail, service stores, furniture shops, and cosmetics and fragrance stores.

FIGURE 5

UPCOMING RETAIL SUPPLY PER RETAIL CATEGORY



Source: Santos Knight Frank Research

NEW TRENDS

Several eyewear and optical brands are multiplying in different retail establishments and shopping malls within Metro Manila. Japanese brands, *Aojo, Jins,* and *Owndays*, Korean brand, *Starfinder Optical*, and local brands, *Sunnies Specs Optical* and *Visualities by EO* compete in selling the finest and best-designed eyewear to the Filipino consumers.

In addition, retail developers and operators introduced the "food hall" concept, which gives mall-goers a new dining experience. This new concept includes a wide range of food choices from different food stalls usually owned by local entrepreneurs, celebrities, and chefs. It caters to the increasingly changing tastes and preferences of consumers and serves the growing "foodie culture" trend of the present time. "Food Halls" is a developed version of the traditional "Food Court" concept, in order to entice consumers to visit the mall and dine. Another key objective is to fill out big spaces and decrease vacancy rates substantially.

Food halls are increasingly becoming popular in Metro Manila. The trend started out with Century City Mall, with the launching of *Hole in the Wall.* Another pioneer is the luxurious *Todd English Food Hall* in SM Aura Premier which is owned by American chef, Todd English.

Some of the newly opened food halls around the metro are the *Commune Food* Hall in Evia Lifestyle Malls in the Alabang area, *The Grid* in the new expansion wing of Powerplant Mall in Makati, *The Corner Market* in the newly renovated The Podium in Ortigas, and the *Islas Pinas Food Hall* in the Double Dragon Meridian Plaza in the Bay Area in Pasay.

An increasing number of retailers are noticing the prevailing trend and are setting up new food halls for mall-goers in various areas in Metro Manila. *Eat Together by Vikings* in SM Megamall and the *Japan Town & Korea Town* in Vertis North in Quezon City are coming soon with new dining options for the foodies in the metro.

The Corner Market
Source: Spot.ph

The Grid
Source: Our Awesome Planet

Islas Pinas Food Hall
Source: Santos Knight Frank

Collaborative Retail Stores (concept store, lifestyle boutique, general store) are likewise starting to grow in number. These so-called "retail-in-a-retail" establishments are being dubbed as the future of retail as they encourage collaboration between small, pop-up, and start-up brands. An opportunity to introduce their products is presented, giving them a chance to play with bigger brands in the market. The collaborative retail stores work by having a general brand lease a shopping mall space. Various online shops, small companies and start-up companies will subsequently rent a small section within the rented mall space.

Notable examples of a collaborative retail store are The Penthouse located in UP Town Center, Retail Lab located in Powerplant Mall, Pop Culture in Ayala the 30th Mall, and The Park: Fashion + Lifestyle in Shangri La Plaza and UP Town Center. *The Penthouse* includes several online brands comprised of clothing and apparel, accessories, and cosmetics. *Retail Lab* is on the high-end side as it features international online shops and products of well-known online fashion designers, who are looking to introduce their products to the Filipino market. *Pop Culture* sells chic clothing and accessory from online brands. *The Park: Fashion + Lifestyle* serves as a stepping stone for start-up brands, designers, and online shops as they vie against bigger brands. *The Park: Fashion + Lifestyle* wishes to further expand its market reach with the anticipated opening of a new branch in SM Mall of Asia.

RETAIL LEASE RATES

Retail lease rates in Metro Manila remain competitive at an overall average of ₱1,530.56 per square meter per month in the second quarter of 2018.

Makati CBD, which is the address of Glorietta 1-5, Greenbelt 1-5, Century City Mall, Powerplant Mall in Rockwell, and the newly opened Ayala Malls Circuit in Circuit Makati, recorded the highest average lease rate, out of all the other business districts, at ₱1,975.00 per square meter.

Ortigas CBD came in second to Makati with an average lease rate of ₱1,683.33 per square meter per month. Some of the well-known shopping malls in Ortigas are Robinsons Galleria, SM Megamall, Shangri-La Plaza, The Podium, Ayala the 30th Mall, and Estancia Mall in Capitol Commons.

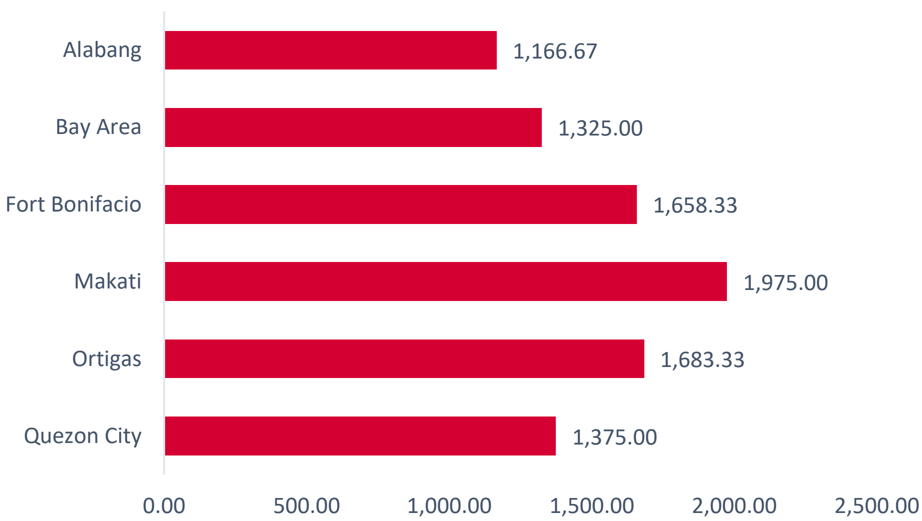
Fort Bonifacio closely followed Ortigas as retail rents in the area averaged ₱1,658.33 per square meter per month. Notable retail establishments in Fort Bonifacio include Bonifacio High Street retail strip, Central Square, Uptown Mall, SM Aura Premier, Grand Canal Mall, and Market Market.

Quezon City (QC), being the largest city in Metro Manila in terms of area, also has the most number of retail establishments built in the National Capital Region. Consisting of large shopping malls such as SM North EDSA, TriNoMa, the newly opened Vertis North, Eastwood Lifestyle Mall, Gateway Mall, UP Town Center, and Robinsons Magnolia, QC boasts of a competitive average lease rate pegged at ₱1,375.00 per square meter per month.

The fast-developing Bay Area houses a growing number of retail malls, including S Maison at the Conrad Hotel, W Mall by Walter Mart, Double Dragon Meridian Plaza, Blue Bay Walk, and the SM Mall of Asia. Bay Area average lease rate is estimated at ₱1,325.00 per square meter per month.

Alabang has the lowest average retail lease rate in all of the Manila CBDs. The average retail rent in the area is ₱1,166.67 per square meter per month. Go to shopping malls in Alabang is comprised of Festival Supermall, Alabang Town Center, and Ayala South Park District.

FIGURE 6
AVERAGE RETAIL LEASE RATES (PHP/sq.m./mo.)



Source: Santos Knight Frank Research

INDUSTRIAL DEMAND AND GOVERNMENT PROJECTS CONTRIBUTE TO INDUSTRIAL SECTOR PROGRESS

INDUSTRIAL | Metro Manila Manufacturing, Logistics and Warehousing in full swing

ECONOMIC PERFORMANCE AND INVESTMENTS

The Philippine's Gross Domestic Product (GDP) grew by 6% as of the second quarter of 2018. The economy grew at a slower pace compared to the 6.6% growth in the previous quarter. According to the Philippine Statistics Authority, Manufacturing, Trade, and Construction Industry were the main contributors to the country's growth. The Services Sector's growth rate was tallied at 6.6%, the largest of all the three major economic sectors. It was followed by the Industry Sector, which grew at a rate of 6.3%. The Agriculture, Hunting, Forestry, and Fishing (AHFF) sector continues to slow down with a growth rate of 0.2% in the second quarter of 2018.

Investor confidence in the Philippines is still evident as the country's net inflow of Foreign Direct Investments (FDI) reportedly increased in May 2018 to US$1.6 billion worth of investments from US$677 million in the same period of 2017. Meanwhile, January to May 2018 net inflows of FDI grew at a rate of 49% to US$4.9 billion from US$3.3 billion in the first five months of 2017. The continuous increase in investor confidence and investment inflows is due to the economy's consistent strong macroeconomic fundamentals and robust performance.

According to the data presented by the Bangko Sentral ng Pilipinas, there was a significant growth in the manufacturing industry and transportation & storage industry in the first five months of 2018. The manufacturing industry received net FDI inflows of US$672.46 million compared to the net FDI inflows of US$7.24 million during the same period of last year representing a growth of more than 9,000%.

The transportation & storage industry received net FDI inflows of US$4.47 million compared to the net FDI inflows of US$ 1.05 million in the same period of the previous year, which is equivalent to a growth of more than 300%. The evidence of growing net FDI inflows in these industries shows that the industrial sector in the Philippines remains buoyant and continues to attract several local and foreign investors.

DEMAND FOR INDUSTRIAL FACILITIES

The development of industrial parks, techno parks, ecozones, and warehouses in Cavite, Laguna, Batangas, Pampanga, Tarlac, and Bataan have been as prevalent as the developments of condominiums, office buildings, and retail establishments in Metro Manila. The increase in local and foreign investments and large available land mass of rural areas led to the development and growth of economic zones.

The retail sector in Metro Manila has prompted the positive performance of the industrial sector in the second quarter of 2018. Developers grew their retail portfolios by building new shopping malls and retail areas for better competition. There is a projected upcoming retail supply of more than 500,000 square meters of gross floor area in the form of newly built retail establishments and retail expansions, resulting to an increased demand for storage and warehousing facilities.

From searching for industrial properties outside Metro Manila, which was due to the scarcity of developable land, demand has reverted back to properties within Metro Manila. Upsurge in fuel prices forced companies to look for warehouses within Metro Manila to lessen logistics costs. Recognizing the rise in demand, the trend nowadays is to convert old buildings into industrial and storage facilities in order to cater to the increasing requirements.

Valenzuela Warehouse
Source: Lamudi

Valenzuela Warehouse
Source: Lamudi

ROAD INFRASTRUCTURE PROJECTS

Another intended solution to the supply problem is the construction of road infrastructures that will lessen the distance and time from the production and storage sites to the distribution areas of goods. The "Build Build Build" project of the current administration will improve the access to industrial areas outside of Metro Manila thus increasing the ease of doing business in the country. This will consequently attract local and foreign investors as well as promote the overall well-being of residents and guests.

A number of lined-up infrastructure projects will directly benefit the industrial sector. The NLEX Harbor Link Project is a 21.65 km extension that runs from Mindanao Avenue, Quezon City, MacArthur Highway in Valenzuela City, C-3 Road in Caloocan City, to Commonwealth Avenue, also in Quezon City.

The 4-segment project will connect highly industrial areas within Metro Manila. The project is vital to the movement and logistics of cargo and inventory as it provides easier access to industrial facilities in the CAMANAVA area and it provides a direct route from Port of Manila through the Radial Road 10 (R10) in Navotas and NLEX connection.

The NLEX-SLEX Connector Road Project, on the other hand, is expected to increase efficiency in cargo logistics and present an alternative route for cargo trucks to access the Manila North Harbor and industrial facilities, as well as NAIA and Clark airport, without limitations due to total truck ban.

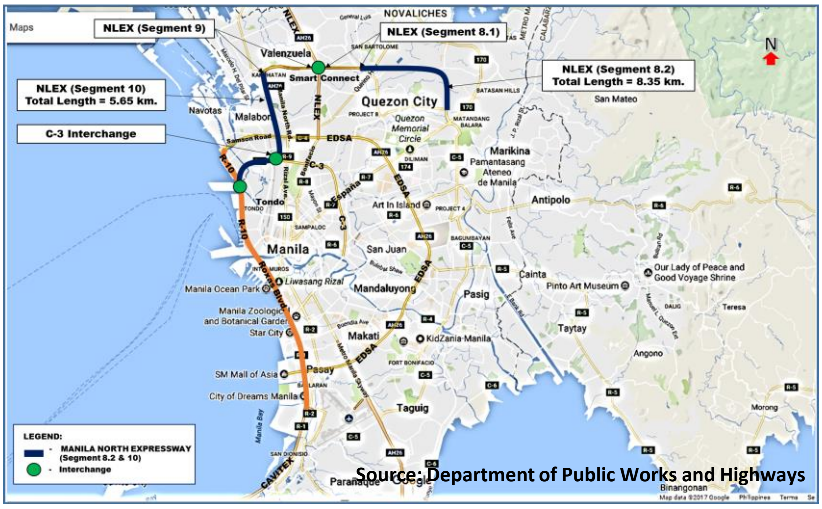
LEASE RATES

Industrial facilities remain prominent in the CAMANAVA Area (Caloocan Malabon Navotas Valenzuela). It has the largest sum of vacant industrial area at more than 120,000 square meters, which is leasable at ₱250.00 to ₱530.00 per square meter per month.

There are also available industrial facilities in Bicutan and Barangay Bagumbayan in Taguig City with an estimated total of 17,300 square meters and leasable at ₱180.00 to ₱430.00 per square meter per month.

Quezon City likewise has 42,200 square meters of vacant industrial facilities ready for lease in Balintawak, Cubao, Sienna, Sta. Mesa Heights, and Mindanao Ave. Rents in these areas are at ₱140.00 to ₱530.00 per square meter per month.

In addition, the highly urbanized Makati City has a total vacant industrial area of approximately 22,000 square meters in Pasong Tamo Extension, Guadalupe Viejo, San Lorenzo, and Chino Roces. These properties can be leased for ₱450.00 to ₱825.00 per square meter per month.



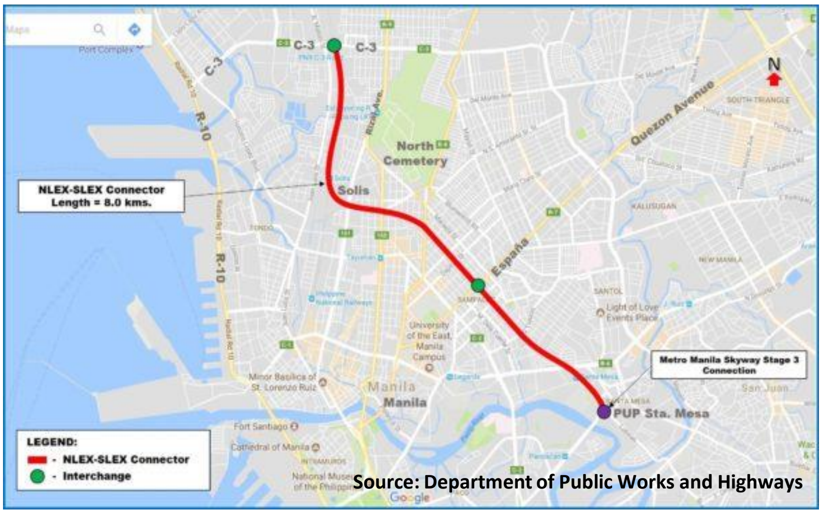
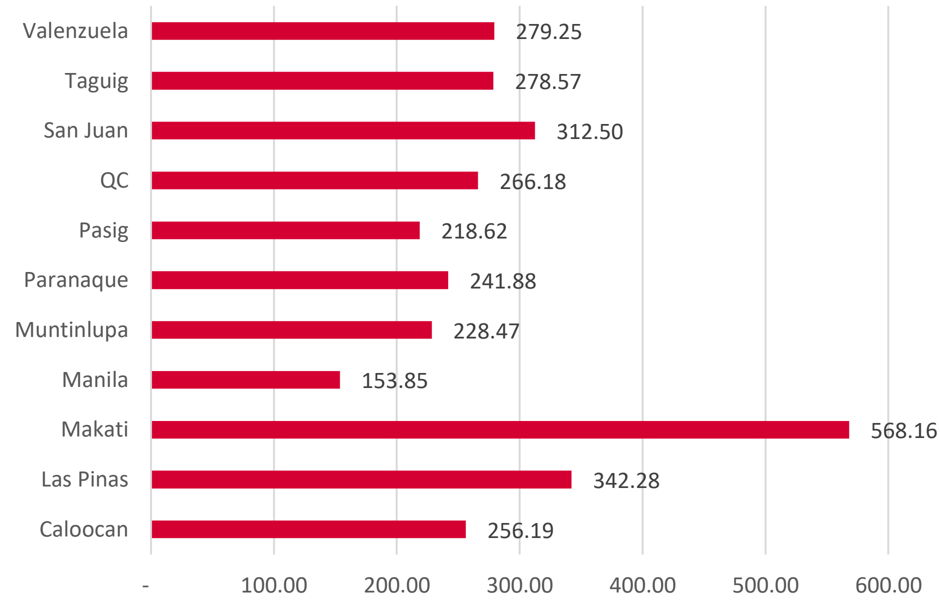


FIGURE 7

AVERAGE LEASE RATES OF INDUSTRIAL PROPERTIES (PHP/sq.m./mo.)



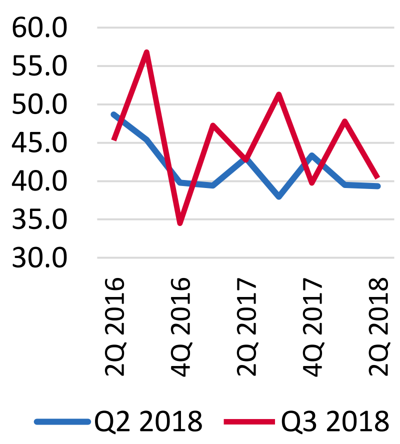
Source: Santos Knight Frank Research

Continued from Page 2 Cover

alike. The passage of the EODB and EGSD Act of 2018 is presumed to attract even more foreign investors. Additional investments are expected to come in with China's Belt and Road Initiative, a 21st century revival of the Chinese Silk Road, wherein Chinese investors are looking beyond China to trade and invest. The act likewise entices local populace to develop their own business ventures, taking advantage of the country's strong consumer base, which has been proportionally growing with the entire Philippine GDP for the past years.

The Philippine real estate industry is constantly booming, with increasing commitments from offshore companies, continuous development of shopping malls and retail strips in the countryside, and new residential project launches, backed by numerous pipeline infrastructure projects. This is to further continue with the passage of the EODB and EGSD Act of 2018. Moreover, land acquisition and development would be ideally easier, paving the way for businesses in the country to expand and extend to the countryside, and thereby increasing the land value in other high potential areas.

FIGURE 8
BUSINESS CONFIDENCE INDEX



Source: Bangko Sentral Ng Pilipinas (BSP)

Continued from Page 3 Office

Constantly rising rents further supports market optimism in the Metro Manila office sector. Overall weighted average asking lease rates grew 2.42% quarter-on-quarter and 10.6% year-on-year to above P1,000 per square meter per month. The second quarter figure was pegged at P1,010.17. Although the Bay Area has been very promising, Makati still holds the highest asking rate of P1,362.05 per square meter per month, followed by BGC with P1,099.53 per square meter per month.

The Chinese gaming industry continues to display strength with an increasing presence in Metro Manila, especially in the Bay Area. Nevertheless, the Business Process Outsourcing (BPO) industry will keep on driving office space take-up evidenced by constant large commitments from IT and BPO companies. BGC is recognized as the most dominant destination for IT-BPO companies. Traditional headquarters and front offices likewise occupy a sizable portion of the total office stock but are considering an upgrade to newer and modern buildings available in the market.

While the threat of automation challenges the BPO sector, certain firms wish to address the issue by improving employee skillset and going up the value chain with more advance type of services. Voice services, however, remain essential to various BPO companies, as human interaction is preferred and desired by majority of customers.

Continued from Page 4 Residential

Constant competition, rising demand and diminishing supply pulled up the second quarter average selling price per square meter of residential apartments in Metro Manila. Affordable condominiums posted a 21.7% y-o-y growth in average selling prices. The price range was from a low of ₱68,000 per square meter to a high of ₱104,000 per square meter. In addition, demand for luxury condominiums led to a significantly higher y-o-y price growth of 29.5%. Luxury condominium prices range from ₱154,000 to ₱486,000 per square meter. High-end and mid-income projects likewise recorded price increases of 9.3% and 11.5% respectively.

Around 24 projects (10,781 units) were turned-over in the second quarter of 2018, which is 5% higher the previous quarter's 10,288 units. Towers that were launched in the second quarter include: Fame Residences Tower 4 and Kai Garden Residences- Hinoki Building in Mandaluyong City, Avida Vireo Tower 2 and Park Cascades Tower 2 in Taguig City, and Callisto Tower 2 in Makati City.

Forbes Media Tower
Source: Century Properties

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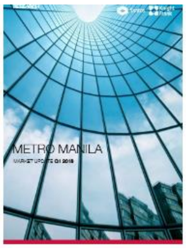

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