

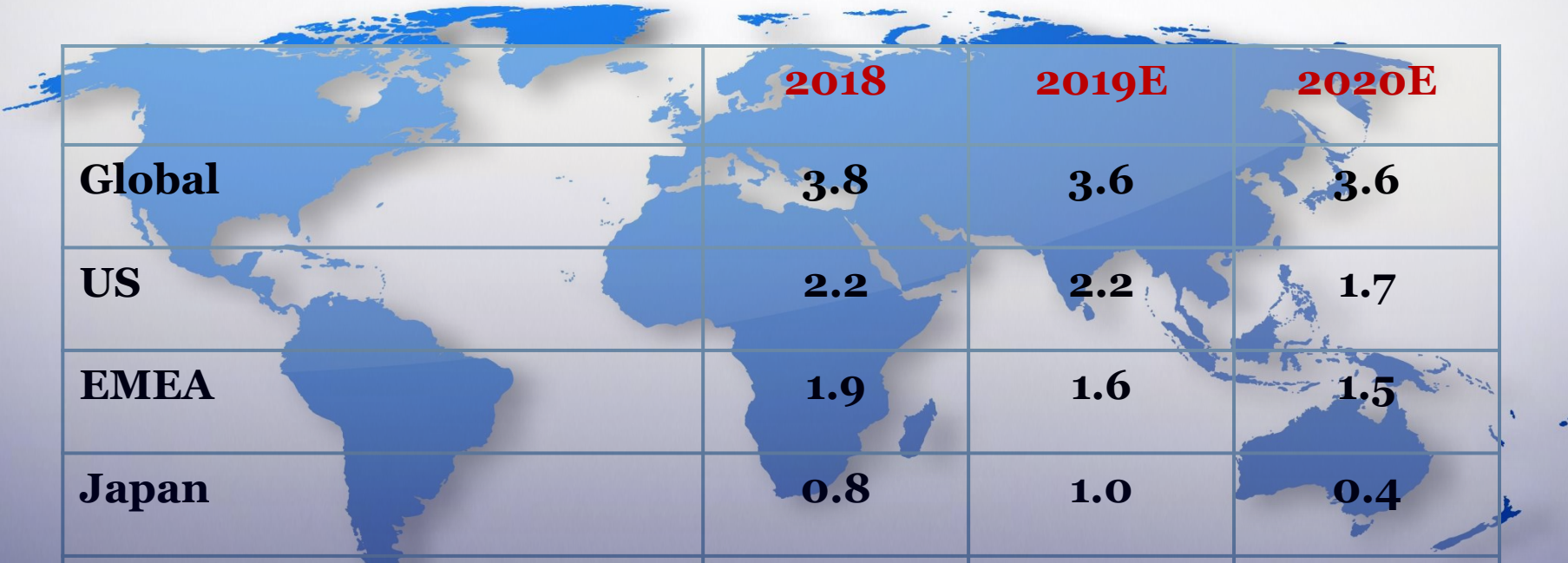
An aerial night view of a city skyline, likely Makati City in the Philippines, featuring numerous illuminated skyscrapers and modern buildings. A large, white, torn-paper-style graphic overlay is centered over the image, containing the title text. The sky is dark with a bright moon or star visible at the top center.

Philippine Real Estate Market Overview

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Economic Health Check

Global Economic Growth Chart



	2018	2019E	2020E
Global	3.8	3.6	3.6
US	2.2	2.2	1.7
EMEA	1.9	1.6	1.5
Japan	0.8	1.0	0.4
Emerging Markets	4.8	4.7	4.8

Market Outlook

Business Optimism and Issues

- Philippine economy to continue to grow: growth anchor to be revisited
- Uptick in office space take-up due to surge in demand from offshore gaming companies
- Continued growth in demand from BPO/KPO companies
- Widening of the “great divide” between prime office supply and old office developments, not just in established CBDs but more pronounced in decentralized areas
- There is a need to highlight the number of delayed (in completion of) developments
- Uptick in demand coming from mainland Chinese working in various industries

Recent Market Sentiments

Recent Market Trends

Existing supply in Metro Manila (as of 4Q2018)

10.5

million sqm of **OFFICE** stock (across all grades)



350

thousand existing **RESIDENTIAL** condo units



9.2

million sqm of **RETAIL** shopping mall space



37,000

HOTEL rooms



Market Outlook

Business Optimism and Issues

- Due to influx of foreign brands, local brands being faced with limited space options with higher rents
- Purchasing power being diluted by higher prices due to spiraling inflation
- Traditional markets (business districts vs. decentralized areas; traditional tourism/resort hubs vs. new niche markets) continue to gain competitive advantage due to mature infrastructure and support developments
- New business models (i.e., shared economy) challenging the traditional hospitality models, leading to higher investment outlays
- Fast-tracking infrastructure (e.g. ample road networks, stable utility costs) improvements and balanced government policies is crucial to the sector's maturity growth

Recent Market Sentiments

Recent Market Trends

Future supply in Metro Manila (2019 - 2021)

2.9

million sqm of **OFFICE** stock (across all grades)



60

thousand future **RESIDENTIAL** condo units



0.5

million sqm of **RETAIL** shopping mall space



8,800

HOTEL rooms

