



REAL ESTATE MARKET INSIGHTS

January 2018



THE PHILIPPINES

105
million



POPULATION



**PHILIPPINE
GNI per Capita**

\$3,580



LITERACY RATE

96.5%

LABOR FORCE

69.6 M

24 years old

Average age of Filipinos

6.9%

**GROWTH
GDP**

2.7%

INFLATION RATE

**PHILIPPINE
GDP**

\$304.91B

**FOREIGN
RESERVES**

\$81.51B



DEBT

EXTERNAL

23.8% of GDP

(June 2017)

PUBLIC

42.1% of GDP

(Jan 2017)

*** CREDIT
RATINGS**

S & P

BBB

MOODY'S

Baa2

FITCH

BBB

* **BBB** : Exhibits adequate protection parameters, ability to meet financial commitments
* **Baa2** :Medium grade, subject to moderate credit risk, strong ability to repay short term obligations

40%
FOREIGN EQUITY LIMIT

LEASE TERM

25 years Renewable for another **25 years**
In some cases,
50 years Renewable for another **25 years**

30%
CORPORATE INCOME TAX

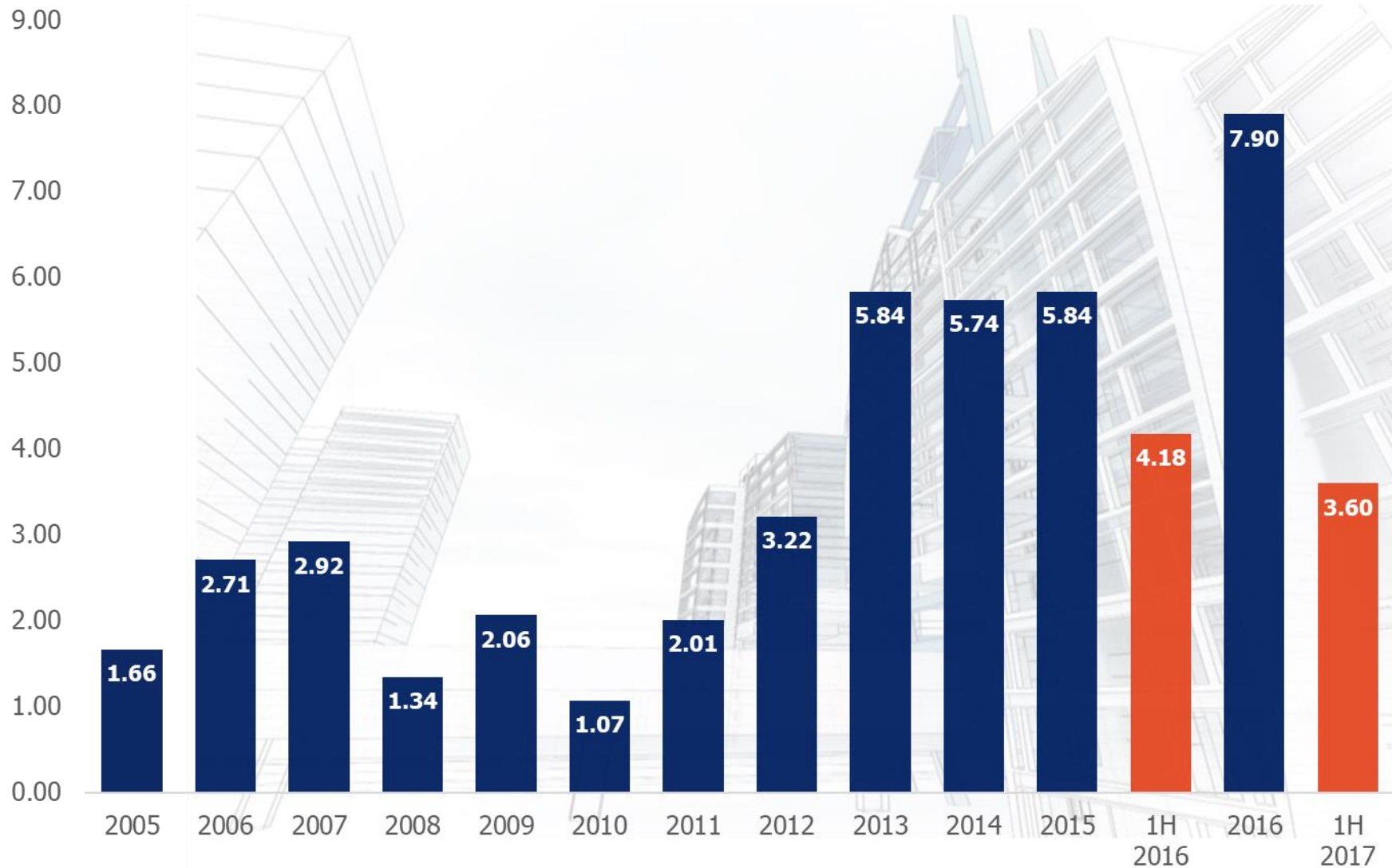
PERSONAL INCOME TAX

32% If annual net taxable
income is at least P500,000
annual income (USD10,000)

Philippine Foreign Direct Investments (FDI)

Performance (2005 to 1H 2017)

In USD Billions



PRES. DUTERTE'S 10-POINT SOCIOECONOMIC AGENDA

1

Infrastructure Spending



DUTERTENOMICS: "Build, build, build program"

"Golden Age of Infrastructure" in the Philippines

-Budget Secretary Benjamin Diokno

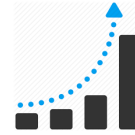
- Manila Subway (P227 billion)
- Mindanao Railway (P31.5 billion)
- NLEX-SLEX Connector Road (P23.30 billion)
- BGC to Ortigas Road Link Project (P4 billion)
- Philippine National Railways North 1 (P105.3 billion)
- Philippine National Railways North 2 (P150 billion)
- Philippine National Railways South Commuter (P134 billion)
- PNR South Long Haul (P151 billion)
- Subic-Clark Cargo Railway Project (P32.5 billion)
- Unified common station (P2.8 billion)

2. Current macroeconomic policies
3. Ease of Doing Business
4. Social protection programs
5. Rural and value chain development
6. Security and land tenure
7. Human Capital Development
8. Science, technology, and creative arts
9. Tax Reform
10. Responsible Parenthood & Reproductive Health

Increased financial literacy among Filipinos is essential to sustain the emerging Philippine economy.



4% life insurance market penetration.



0.7% of Filipinos invest in the stock market.



Housing Backlog - 5.7M units

*"According to Leni Robredo, the government was looking at **providing tax breaks** to **entice private developers** to go into socialized housing projects and help reduce the projected backlog of 5.7 million units"*

Per Capita GNI - \$3,580
as of 2016



5% of Filipinos own a credit card.

*"The biggest reason card penetration is **very low** in the country is the **lack of information** about the prospective debtor."*

Underemployment Rate - 16.3%
as of January 2017

*"NEDA said that this was the **lowest rate** recorded since 2006."*



14% of Filipinos have bank accounts.

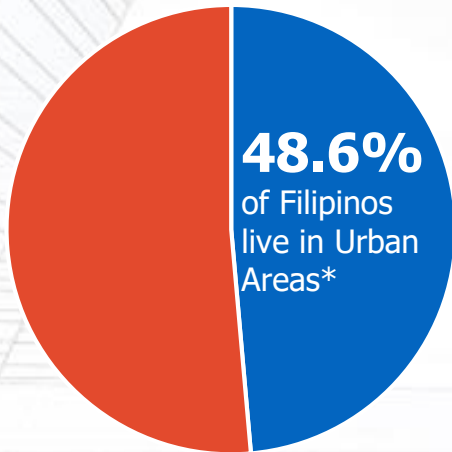
*"The members that are banked are **mostly employees**, either by private companies or by the government."*

Unemployment Rate - 6.6%

as of January 2017
*"The government must focus interventions to diversify the sources of income of our workers in the agriculture sector, increase **labor participation of women**, and address youth unemployment and underutilization."*



Urban Population Growth



It is projected to rise to **56.3%** by 2030 and **66%** by 2050.



BPO Employee's Housing Need

Growing number
of BPO workers



Need to live
near
their
workplace.

**Housing backlog needs
to be addressed and
demand for dormitories
will rise.**



Overseas Filipino Remittances

10 million

OFW's can invest in Real Estate

More than 50%
of remittances are
real estate related

OFFICE MARKET

Metro Manila office take-up for Full-Year 2017 is at an all-time high of **775,000 square meters**.



Bay City & Bonifacio Global City registered **35%** and **21%** respectively of the Metro Manila office take-up for FY 2017.

Increased office demand were primarily fueled by the **IT-BPM industry** and recently, the **offshore/online gaming industry**.



More than **1 million square meters** of office space were added to Metro Manila in 2017.

Bay City & Bonifacio Global City were the biggest producers of office space accounting for a combined **51%** of the FY 2017 supply.





Companies will continue to look for new and untapped labor markets.



National Government promotes new developments in the provinces.



Preferred areas for expansion are Luzon and Visayas.

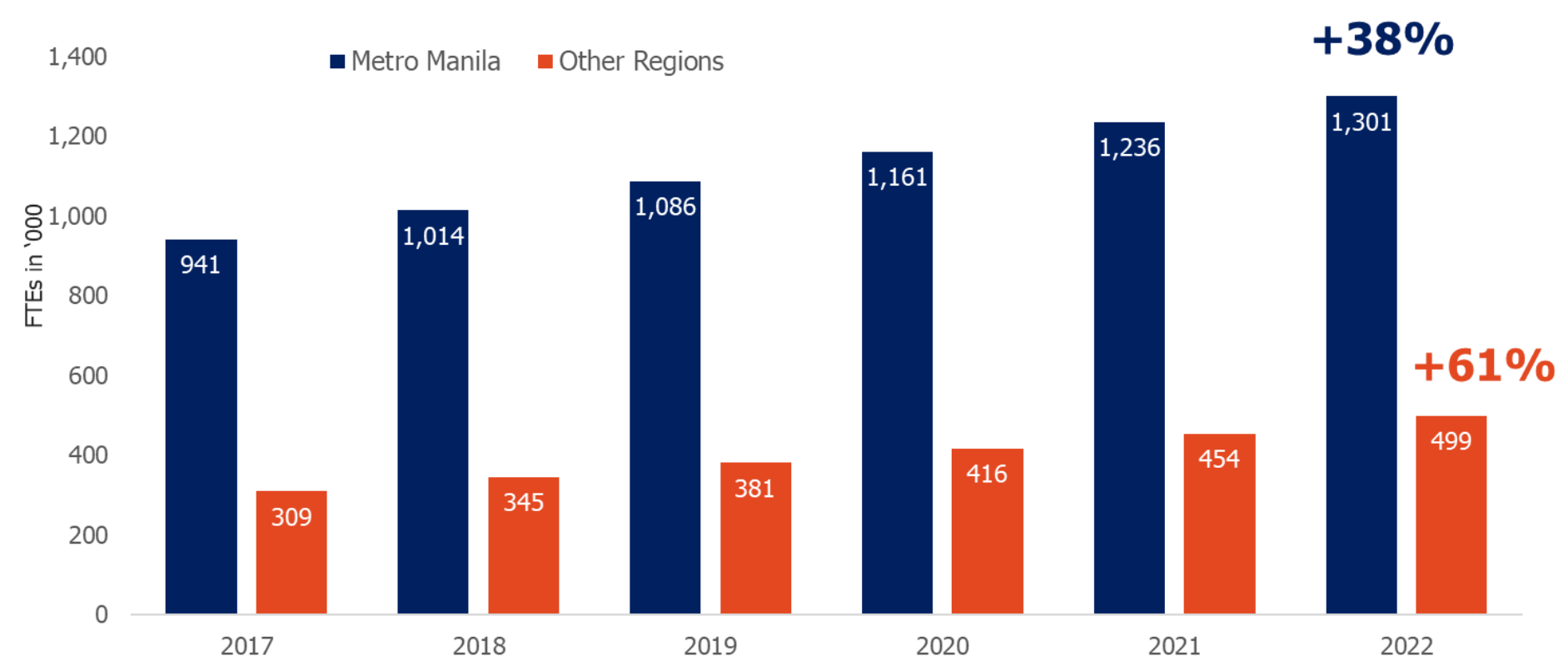


IT-BPM companies in the provinces will continue to offer relocation incentives to interested applicants.

Whilst 70% of the total projected IT-BPM workforce will still remain in Metro Manila, **National Government's all inclusive-plan will positively impact expansion in the provinces.**

IT-BPM labor workforce in the provinces is estimated to **grow by 60% in 2022.**

Provincial full time employees will **grow from 1.2 million to 1.8 million in the next 5 years**, which translates to 3 million sqm of office requirement.



- Most of these districts will be **fully developed by 2018**.
- There will be **little land left for development**.
- The most important districts moving forward will be **Bonifacio Global City, Bay Area, Filinvest City, Evia and Arca South**.

3 MAJOR CBDs

MAKATI MAKATI CBD. CENTURY CITY. ROCKWELL CENTER. CIRCUIT MAKATI.

ORTIGAS ORTIGAS CBD. ROCKWELL BUSINESS CENTER. ARCOVIA CITY. SILVER CITY. CAPITOL COMMONS.

BGC BONIFACIO GLOBAL CITY. MCKINLEY WEST. MCKINLEY HILL. UPTOWN. VERITOWN.

46 BUSINESS PARKS

QUEZON CITY. UP TECHNOHUB. EASTWOOD CITY. ETON CENTRIS.

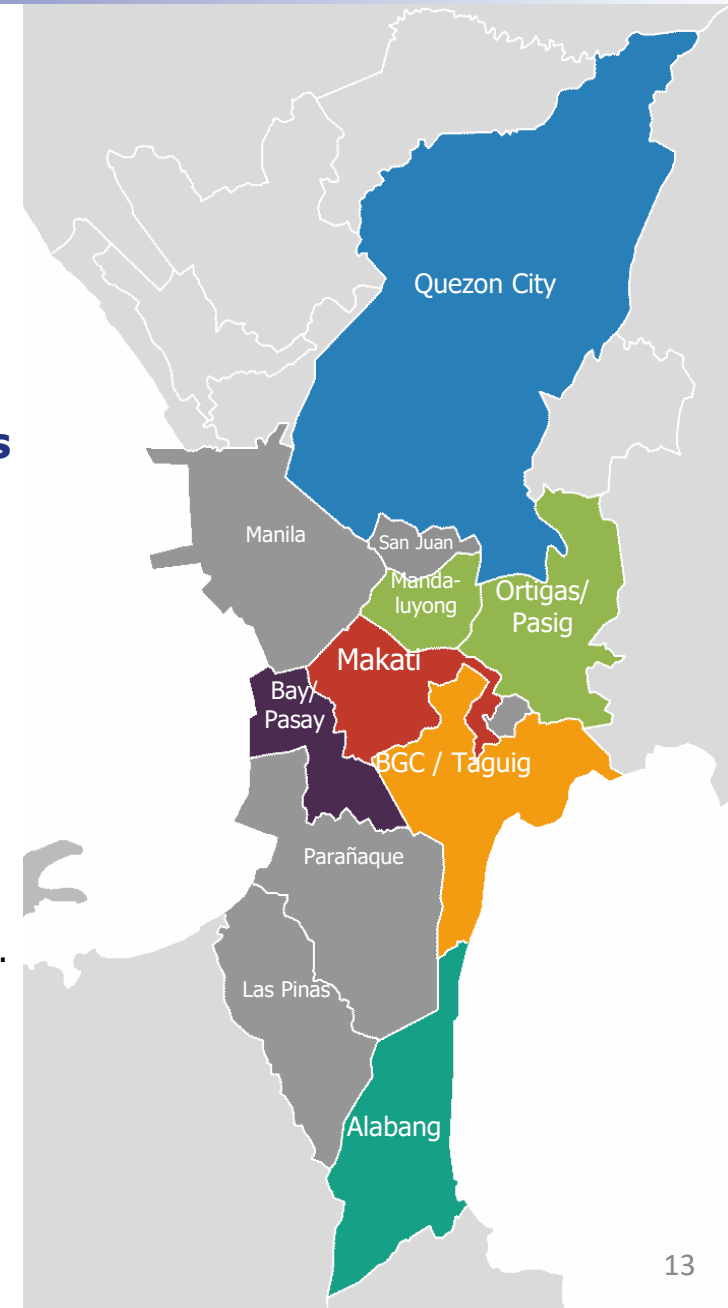
ARANETA, CYBERARK. ROBINSONS BRIDGETOWNE IT PARK. VERTIS NORTH. UP TOWN CENTER. FAIRVIEW TERRACES. ALI CLOVERLEAF BALINTAWAK. NUVO. **MANDALUYONG**.

GREENFIELD DISTRICT. ROBINSONS CYBERGATE. ROCKWELL SHERIDAN. **SAN JUAN**.

SANTOLAN TOWN PLAZA. **MUNTINLUPA**. FILINVEST CORPORATE CITY. LA FUERZA. NORTHGATE CYBERZONE. MADRIGAL BUSINESS PARK. ALABANG WEST. **TAGUIG**. ARCA

SOUTH. **LAS PINAS**. PORTOFINO. EVIA. **PASAY**. NEWPORT CITY. SM MALL OF ASIA COMPLEX. METROPOLITAN BUSINESS PARK. DOUBLE DRAGON CYBERCAMPUS. FILINVEST CYBERZONE PASAY. **PARANAQUE**. ASIAWORLD CITY. ASEANA BUSINESS PARK. AYALA

ASEANA. **MANILA**. CITYPLACE. SAN LAZARO.



LAOAG. CAMELLA. VALDEZ CENTER. **CAGAYAN.** CAGAYAN SPECIAL ECONOMIC ZONE AND FREEPORT. PROJECT PRIMO. **BAGUIO.** BAGUIO AYALA LAND TECHNOHUB. SM BAGUIO CYBERZONE BUILDING. PCH IT CENTER. ABANAO SQUARE. **TARLAC.** LUISITA BUSINESS PARK. TARLAC PROVINCIAL IT PARK. **BULACAN.** PDC TECHNOPARK. ALTARAZA. FIRST BULACAN IT PARK. CIUDAD DE VICTORIA. ABS-CBN CAMPUS. **URDANETA.** CB MALL.

Over **84 I.T. parks** and business districts

Countryside development going through unprecedented construction boom driven by **BPO** and **tourism**.

PAMPANGA. CLARK SPECIAL ECONOMIC ZONE. PHILEXCEL BUSINESS PARK. BERTAPHIL BUSINESS PARK. SM CITY CLARK. CLARK GREEN CITY. GGLC. NEPO CENTER. ALVIERA. CAPILION. THE INFINITY. FILINVEST MIMOSA **AKLAN.** BORACAY NEW COAST. **CAPIZ.** PUEBLO DE PANAY TECHNOPARK. **ILOILO.** ILOILO TECHNOHUB. ATRIA PARK DISTRICT. GAISANO CAPITAL. AYALA SICOGON.

ILOILO BUSINESS PARK. **BACOLOD.** LOPUE'S EAST IT CENTER. ONE AND TWO SANPARQ. THE BLOCK IT PARK. ROBINSONS CYBERGATE CENTER.

LOPUE'S SOUTHSQUARE IT PARK. BACOLOD IT PARK. CAPITOL CENTRAL. **DUMAGUETE.** DUMAGUETE BUSINESS PARK. LINKSYS IT PARK. LP IT PARK. YY STAR DAS.

Unprecedented countryside development.

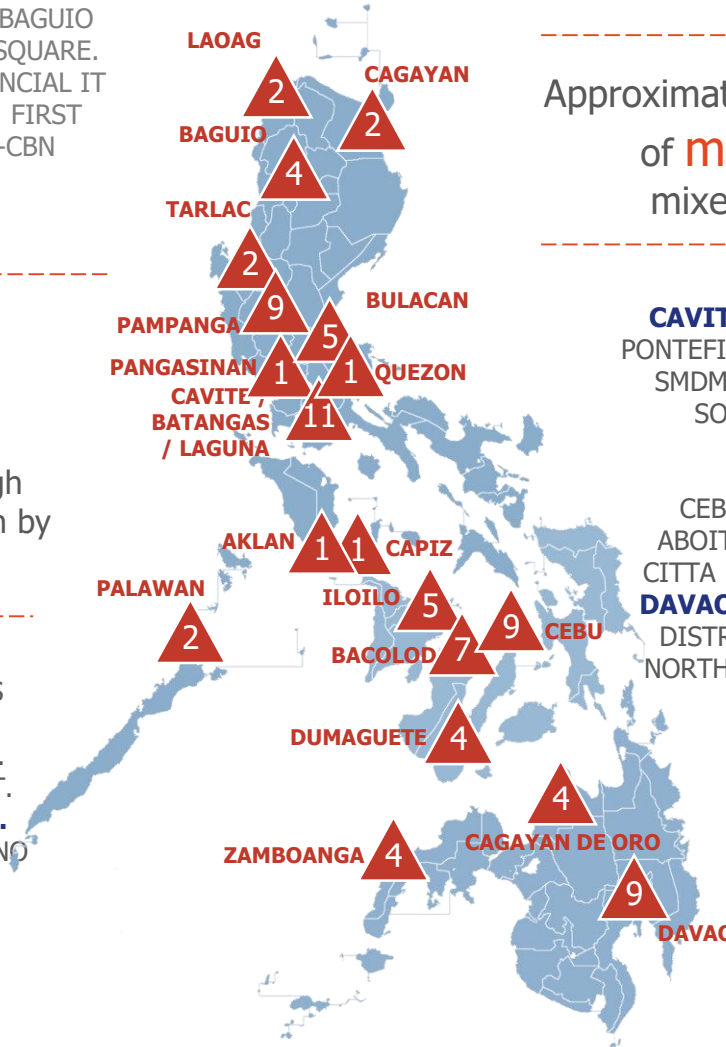
Approximately **132,200 hectares** of **master-planned** or mixed-use developments

CAVITE. BATANGAS. LAGUNA. VERMOSA. PONTEFINO. SUNTECH IT PARK. HAMILO COAST. SMDM IT CENTER. SOUTHFORBES IT PARK. SOUTHWOODS. NUVALI. ETON CITY. GREENFIELD CITY. PUERTO AZUL.

CEBU. CEBU IT PARK. CEBU SRP. CEBU BUSINESS PARK. MACTAN NEWTOWN. ABOITIZLAND CEBU. WATERFRONT TOWNSHIP. CITTA DE MARE. SMC. OAKRIDGE BUSINESS PARK **DAVAO.** MATINA IT PARK. ABREEZA. DAVAO PARK DISTRICT. LANANG IT PARK. DAMOSA IT PARK. NORTHPOINT. CAMELLA. CIUDADES. LUBI ISLAND PLANTATION.

PALAWAN. LIO RESORT TOWN. SAN VICENTE. **QUEZON.** BALE SIN ISLAND CLUB

ZAMBOANGA. MEGALAND MALL. CITYMALL ZAMBOANGA. ZAMBOECOZONE AND FREEPORT NEW TOWNSHIP. ZAMBOECOZONE HIGHLANDS. **CAGAYAN DE ORO.** LIMKETKAI CENTER. SM CITY BPO 2. CENTRIO. ONE PROVIDENCE.



Legend:

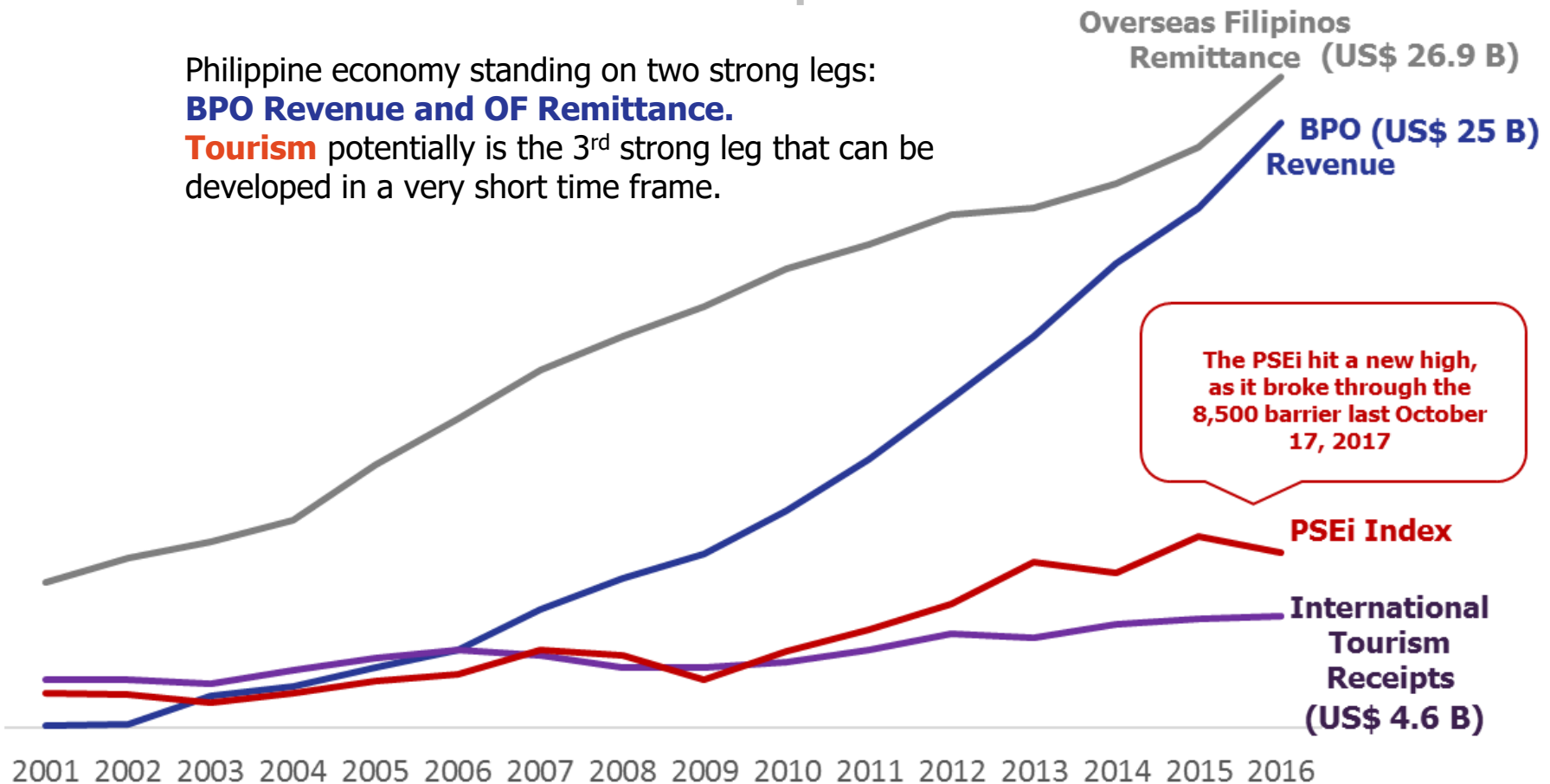
▲ Number of townships

Persistent growth despite
**prevailing political,
infrastructure, security
problems and natural disasters**
for the past 15 years.

Prepare for a boom in
**TOURISM AND
INFRASTRUCTURE**

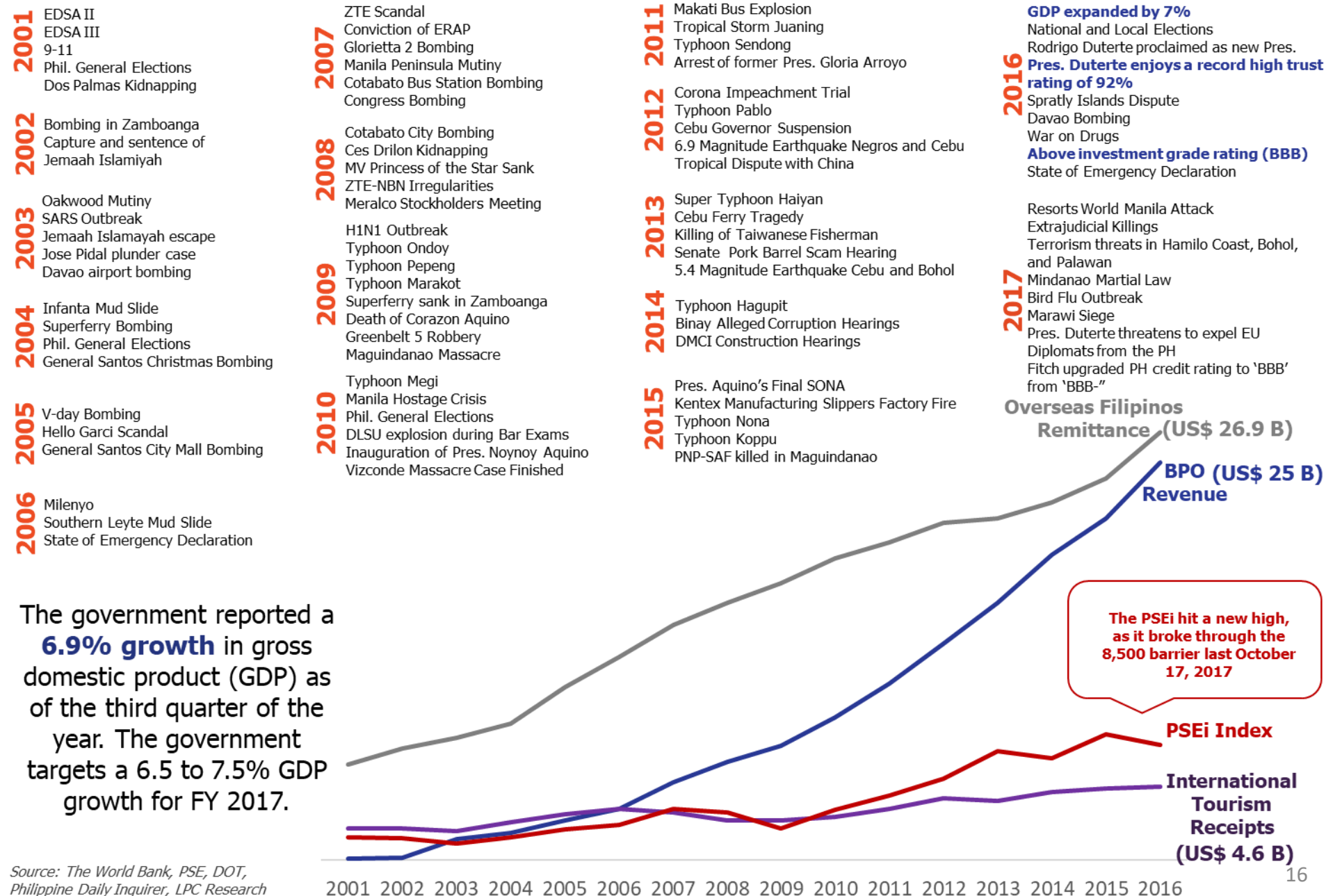
Philippine economy standing on two strong legs:
BPO Revenue and OF Remittance.

Tourism potentially is the 3rd strong leg that can be
developed in a very short time frame.



The PSEi hit a new high,
as it broke through the
8,500 barrier last October
17, 2017

PH Growth Amidst Historical Events



METRO MANILA OFFICE MARKET

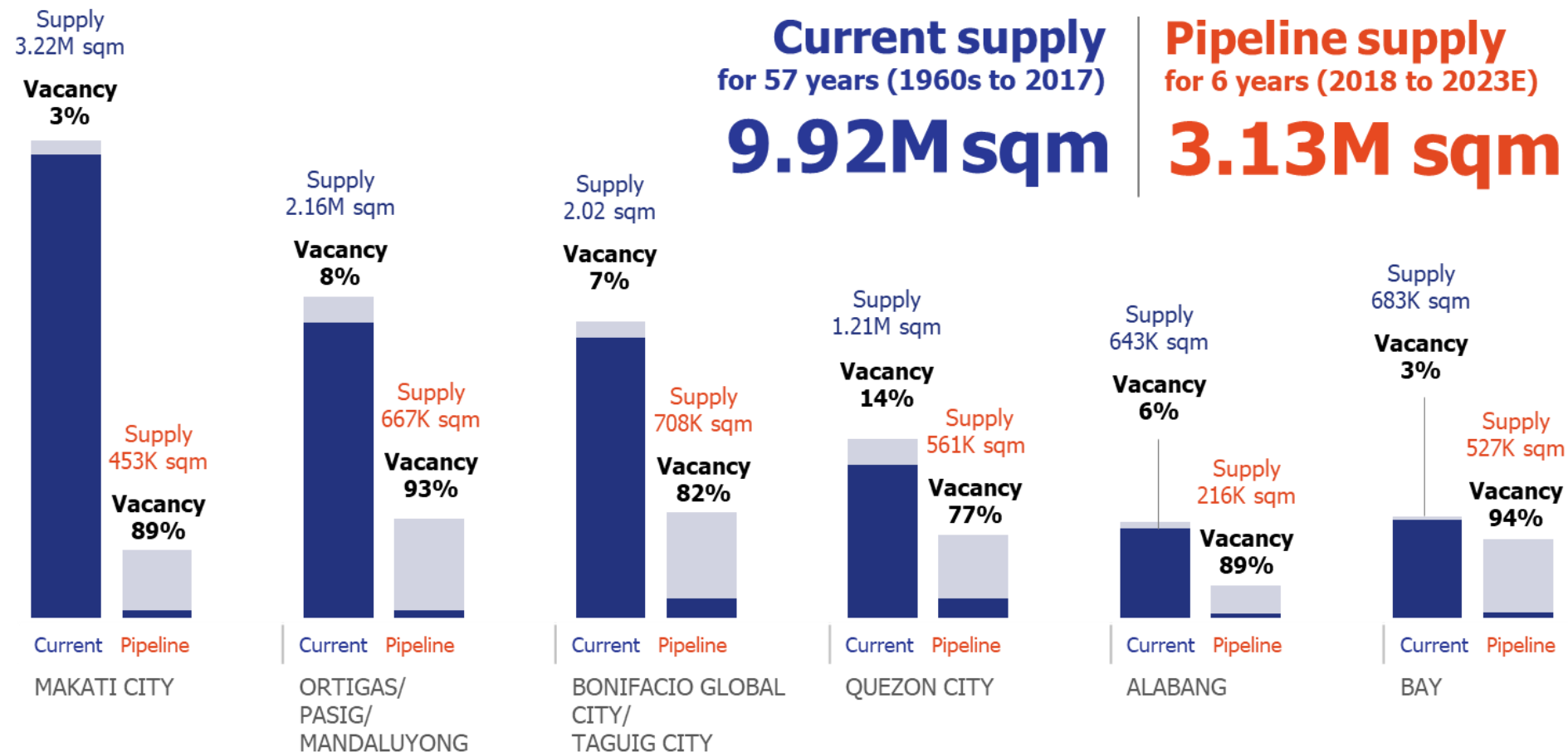
Metro Manila Office Supply

Current vs. Pipeline

Current vacancy rate across Metro Manila is at **6.08%**

Offices at **Makati City** and **Bay** are enjoying the lowest current vacancy rates at **3%**.

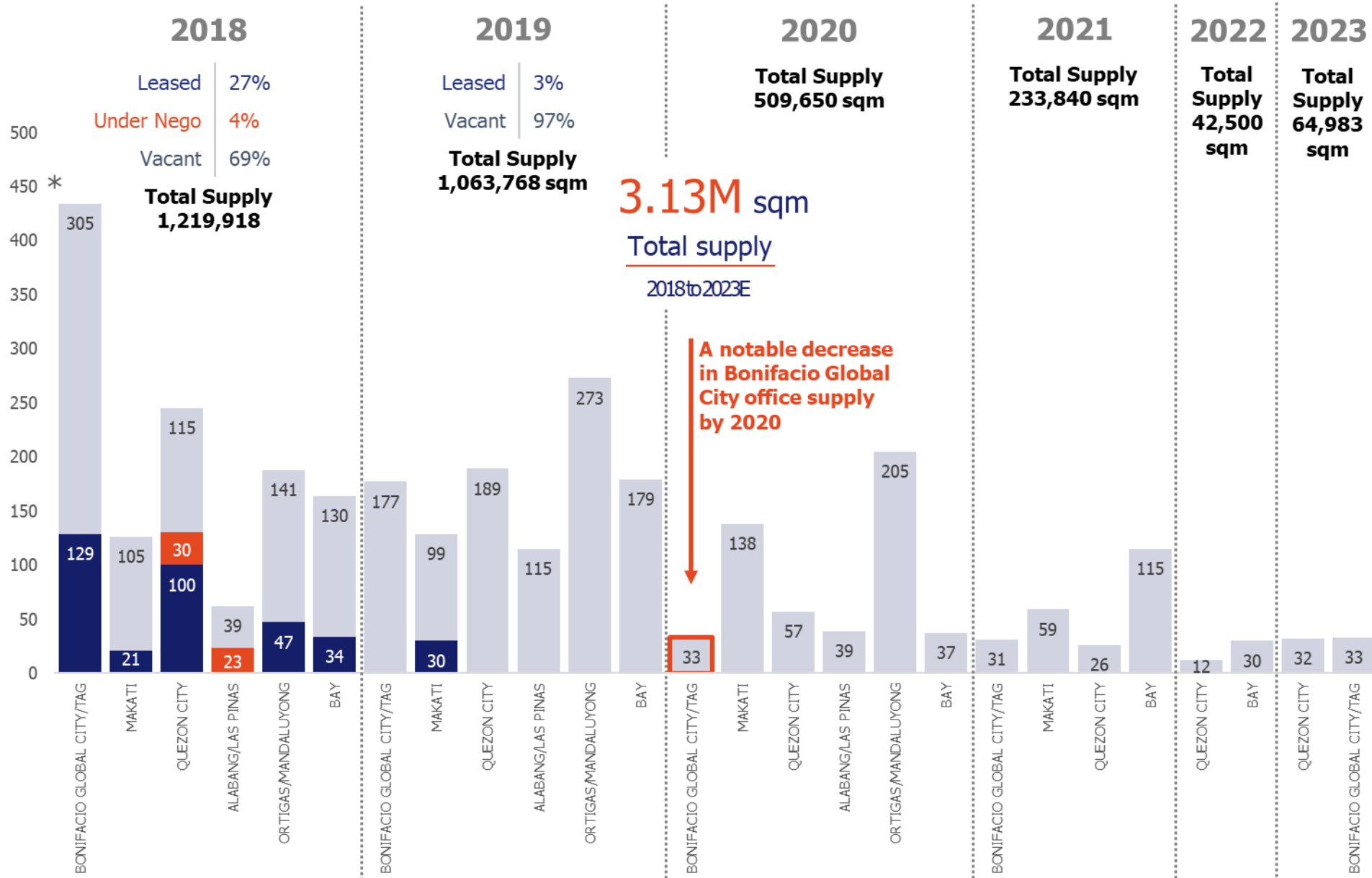
Bonifacio Global City/Taguig City continues to be the largest supplier of pipeline office space. **Bonifacio Global City/Taguig City** and **Ortigas Center** will have roughly the same amount of office space by 2023.



Legend: ■ Leased ■ Pre-committed ■ Vacant

Metro Manila Office Supply Pipeline

Per District, Per Year (2018 to 2023E)

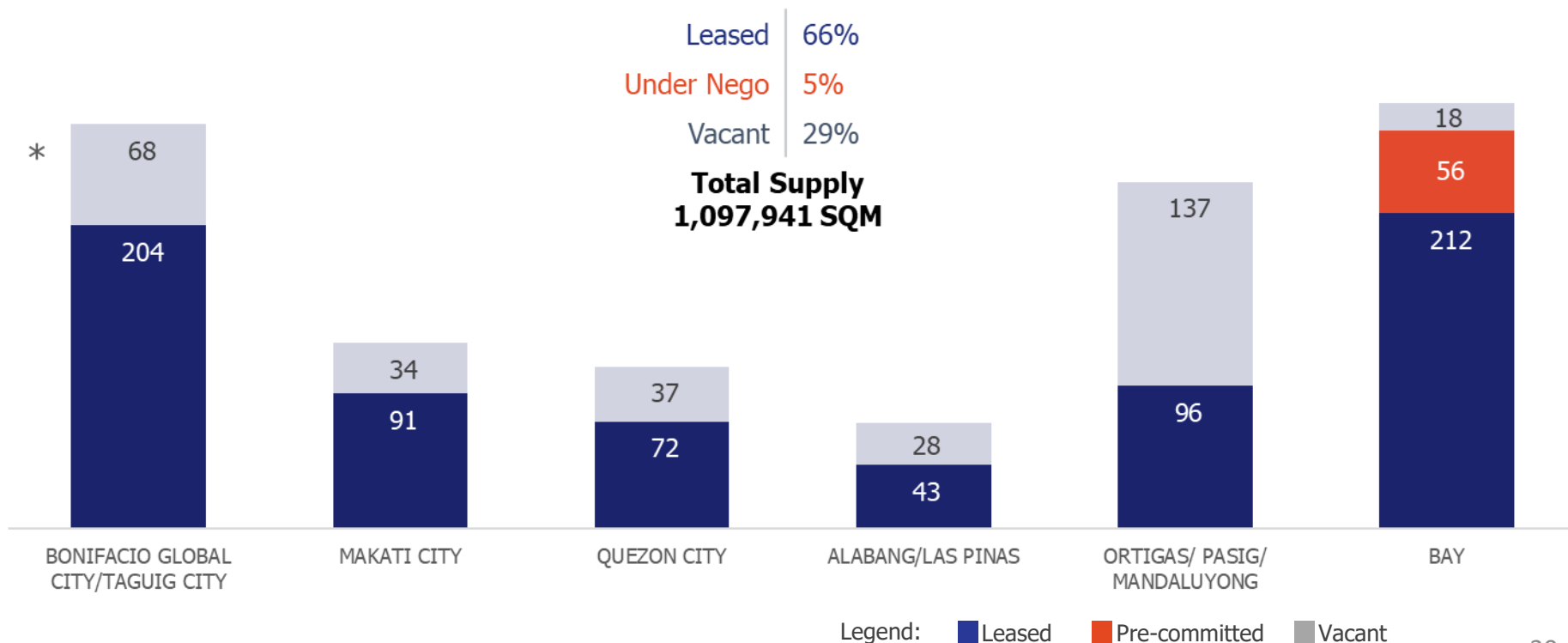


***Gross Leasable Area in thousands (sqm)**

Legend: ■ Leased ■ Under Nego ■ Vacant

2017 supply was a historical high of 1,097,941 square meters, most of which are in BGC and Taguig City, constructed at a much higher grade of specification, materials, workmanship, and quality, and catering primarily to multinational corporate tenants. Nonetheless, **demand for FY 2017** reached new heights of **774,957 sqm.**

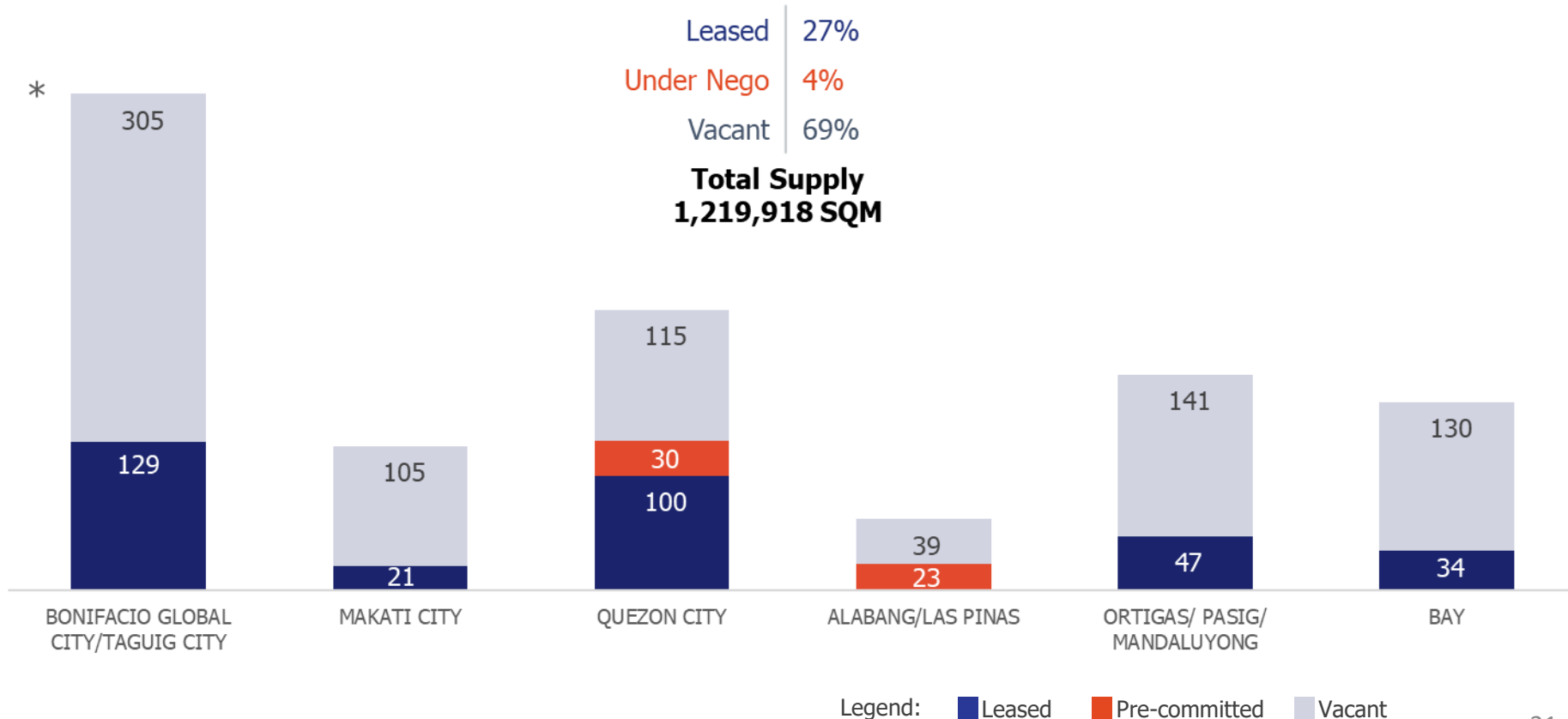
Full-Year 2017



*Gross Leasable Area in thousands (sqm)

2018 office supply is expected to be at an **all-time high of 1,219,918 sqm**, most of which are in BGC and Taguig City. As early as December 2017, **383,282 sqm** or **31%** of the 2018 office supply have already been **pre-committed**.

Year-to-date 2018



*Gross Leasable Area in thousands (sqm)

Metro Manila - Demand Activity

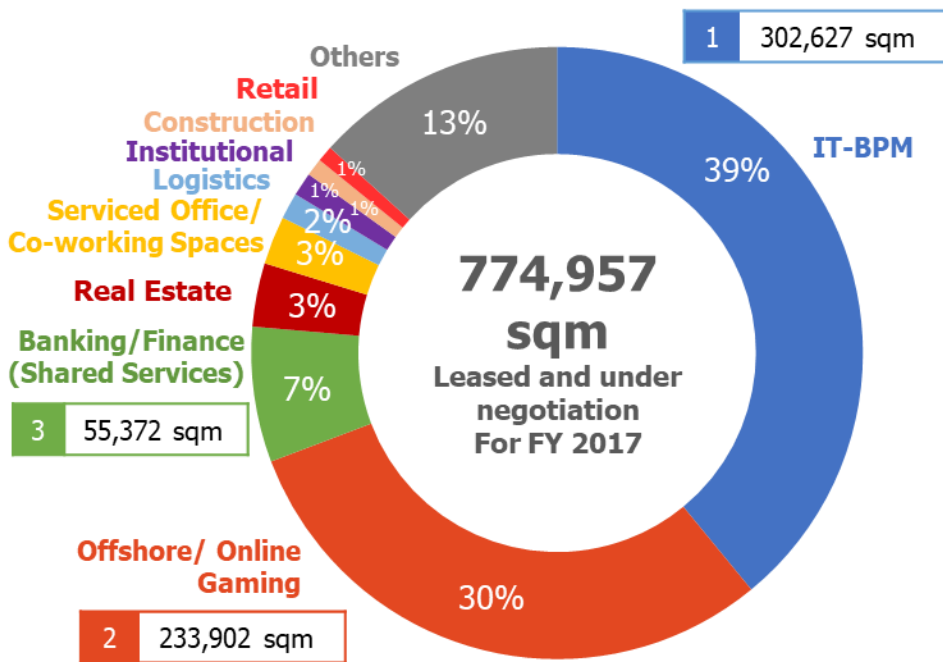
Full Year 2017 and YTD 2018

Metro Manila **office take-up** for **FY 2017** reached **774,957 sqm** outperforming **FY 2016 take-up** of **630,000 sqm** by **23%**.

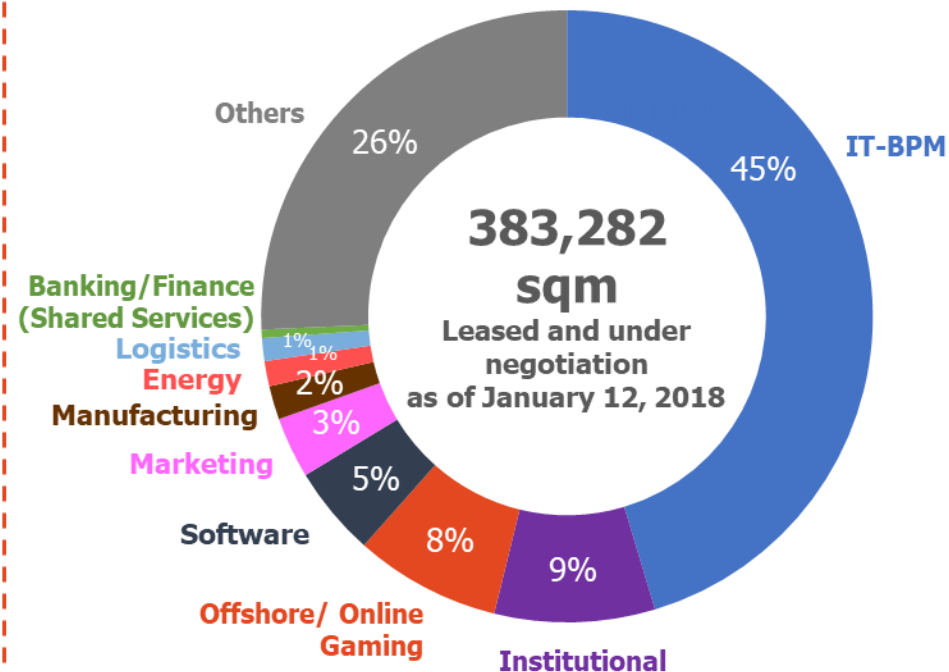
As early as January 12, **31%** or **382,282 sqm** of the 2018 office supply are already either occupied or pre-committed.

The **IT-BPM** industry and **Offshore/Online Gaming** industry are expected to continue leading Metro Manila office demand by Year-End 2018.

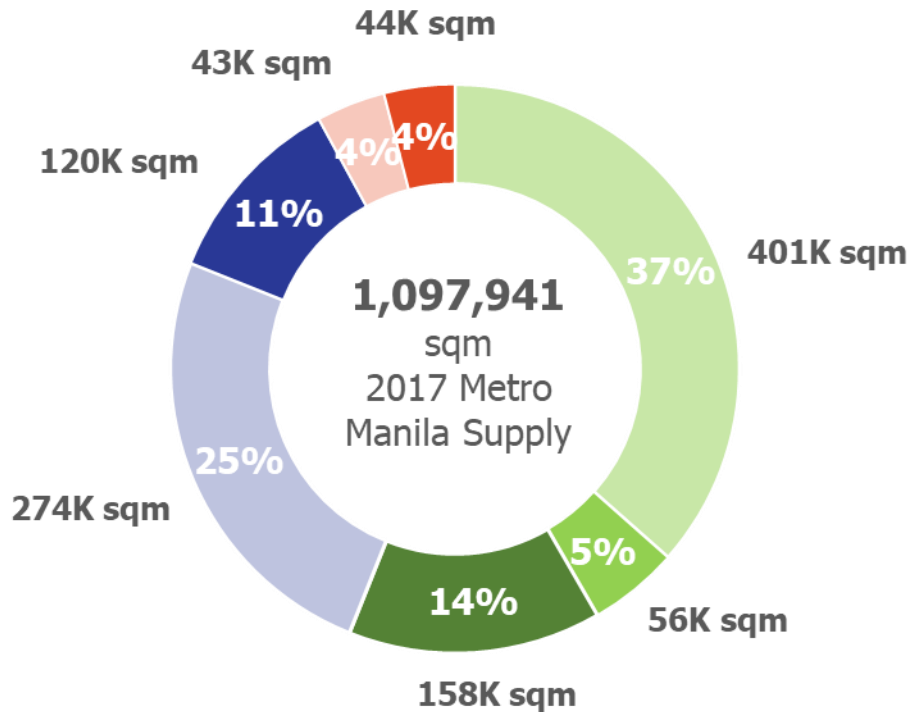
FY 2017 Metro Manila Office Take-up



YTD 2018 Metro Manila Office Take-up

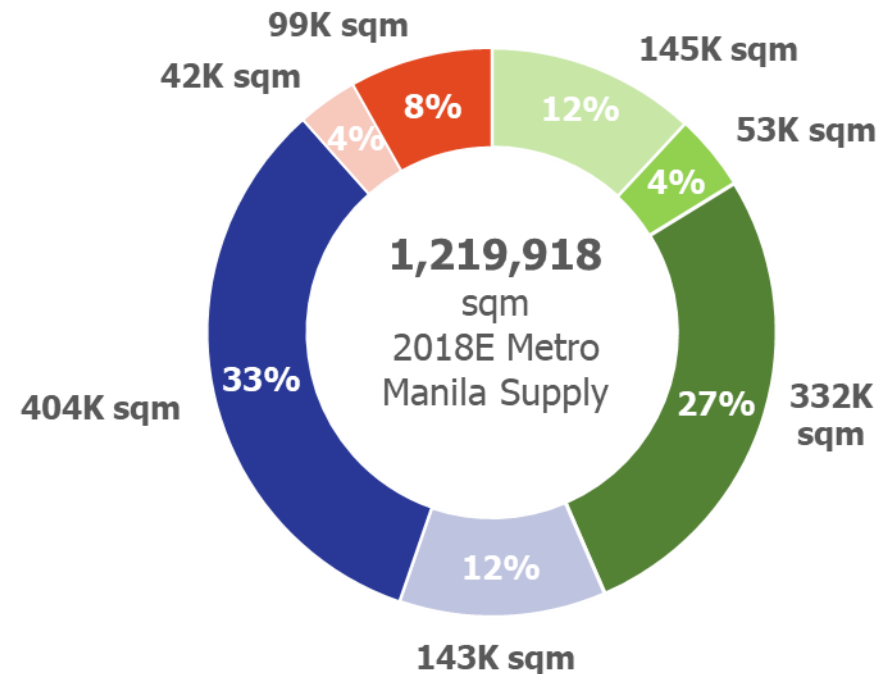


FY 2017



Total PEZA Space: 56% (615,479 sqm)

FY 2018E



Total PEZA Space: 43% (530,743 sqm)

LEGEND: PEZA STATUS

ACCREDITED

- Leased
- Under Negotiations
- Vacant

UNDER APPLICATION

- Leased
- Under Negotiations
- Vacant

NON-PEZA

- Leased
- Under Negotiations
- Vacant

PEZA Status

By District | FY 2018E to 2023E

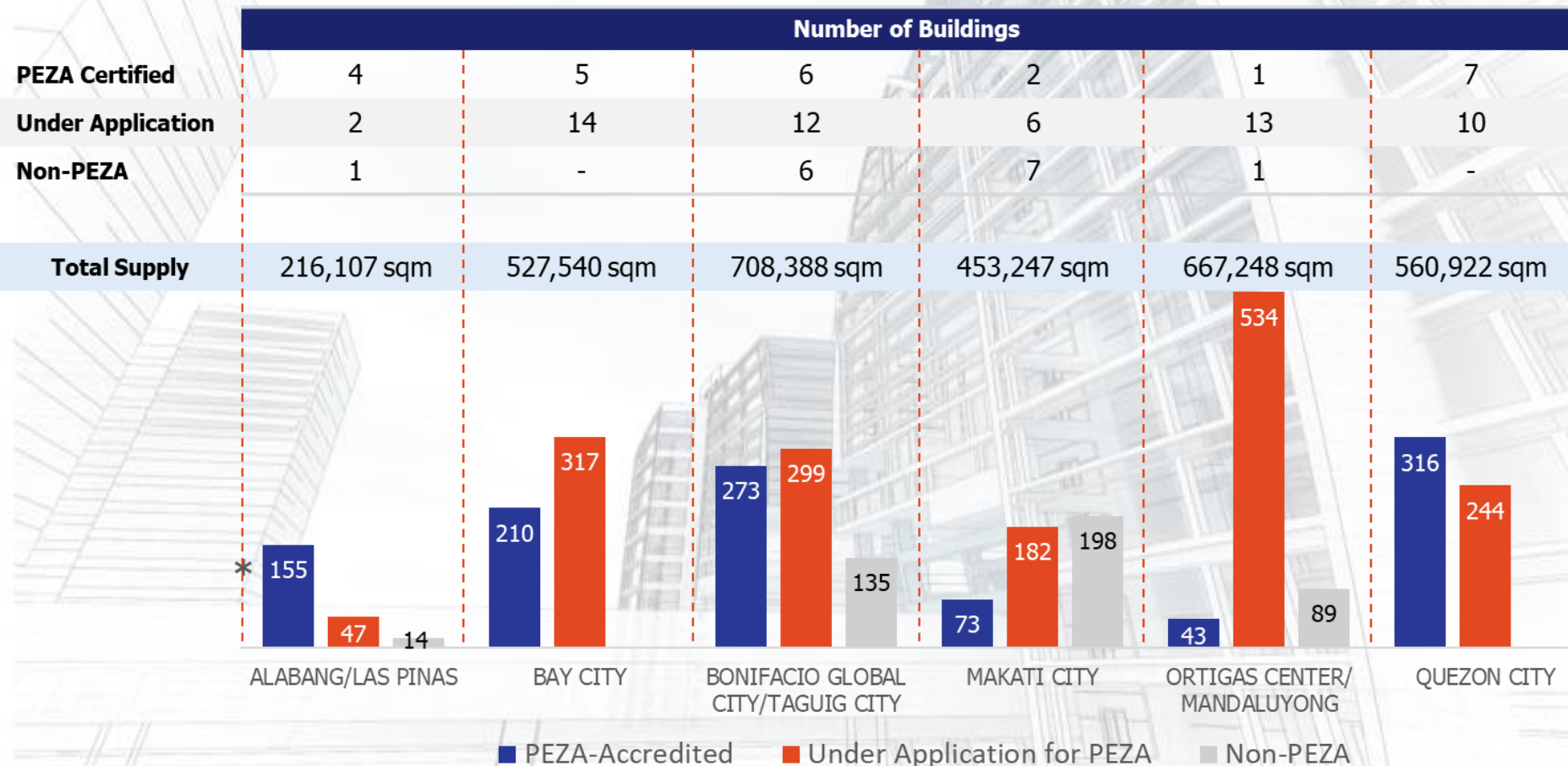
Total PEZA-Accredited space: 1,072,710 sqm (25 buildings)

Total space under application for PEZA: 1,623,980 sqm (57 buildings)

Total non-PEZA space: 436,762 sqm (15 buildings)

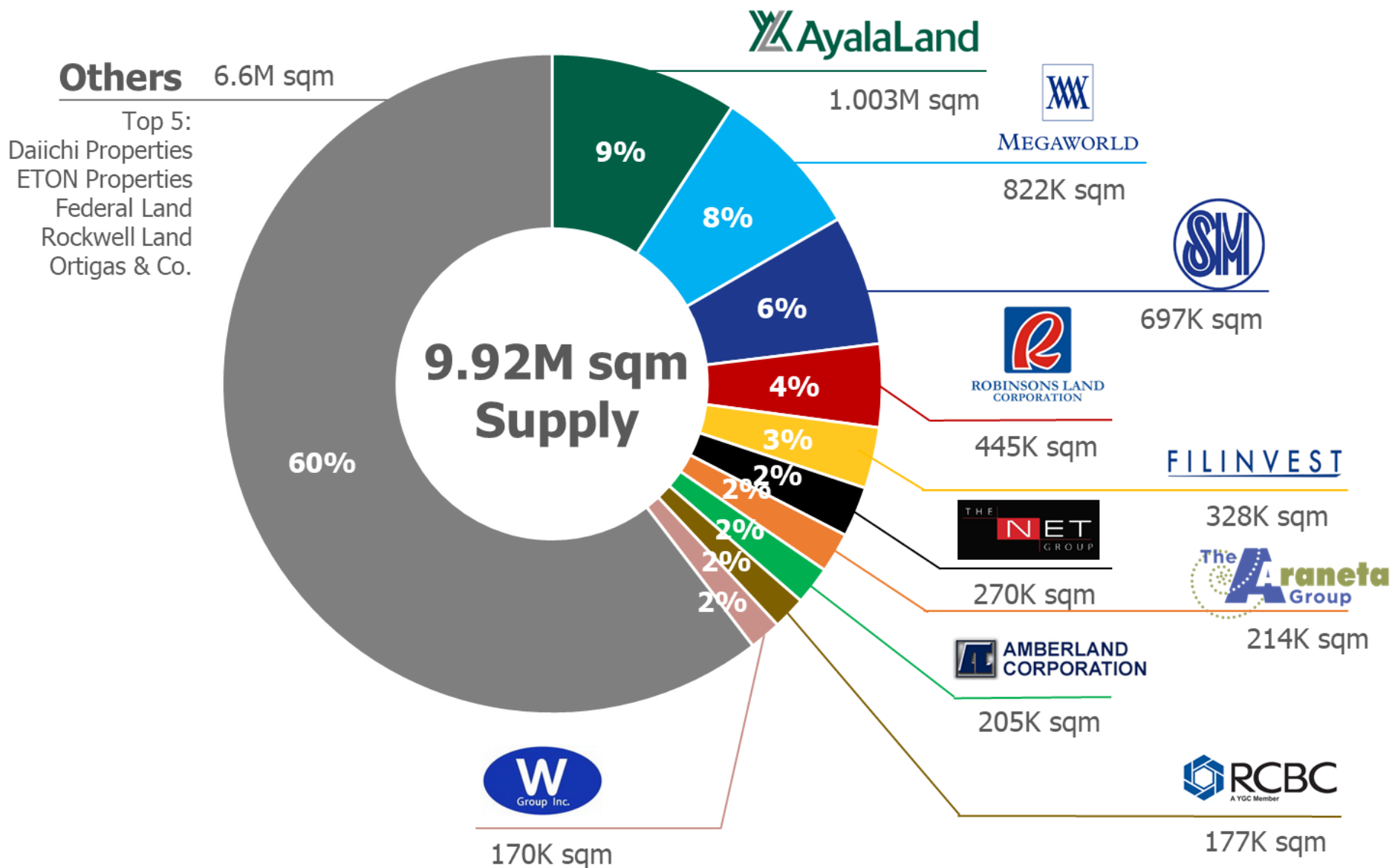
3.13M sqm

Total supply
FY 2018-2023E



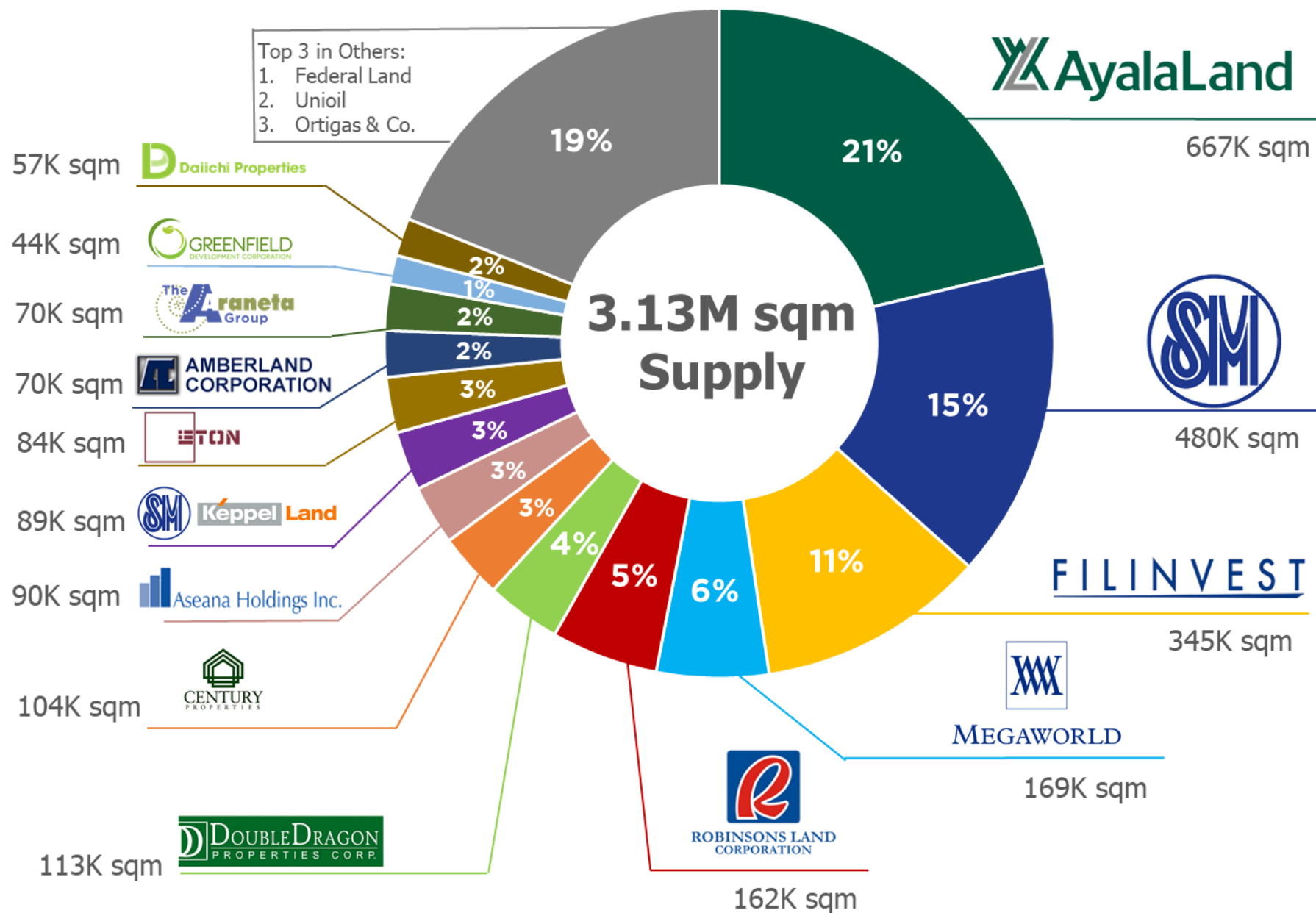
**Gross Leasable Area in thousands (sqm)*

Metro Manila Current Supply Developer Market Share (1960's to 2017)



Metro Manila Supply Pipeline

Developer Market Share (2018E to 2023E)

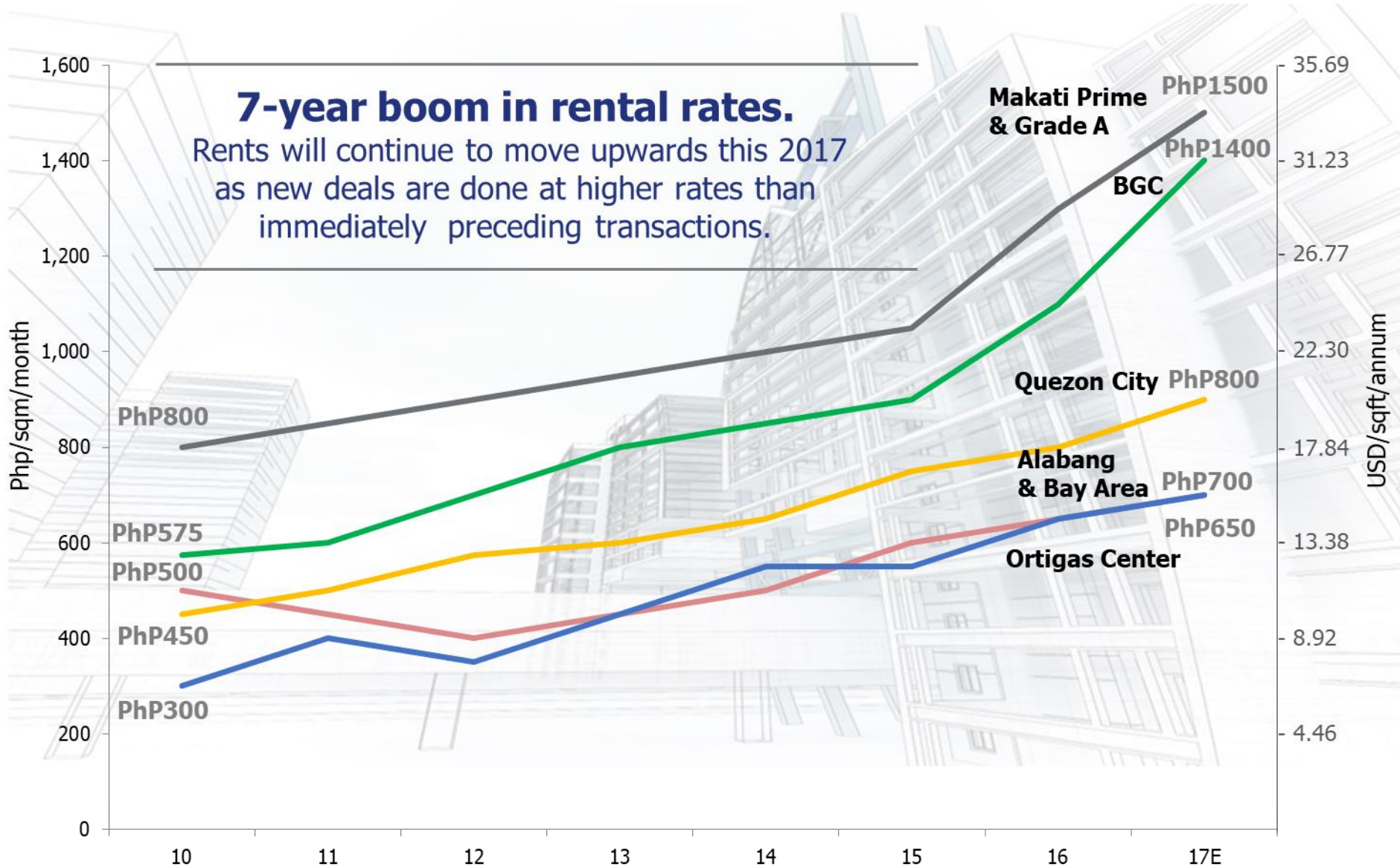


Metro Manila Rental Range

PhP / sqm / month

7-year boom in rental rates.

Rents will continue to move upwards this 2017 as new deals are done at higher rates than immediately preceding transactions.



Land values are at its **all time high** in Makati City and Bonifacio Global City

Business District	*FAR Range	Land Values PhP/sqm 2016	Accommodation Value GFA/sqm 2016	Land Values PhP/sqm 2017 YTD	Accommodation Value GFA/sqm 2017 YTD	Y-o-Y Increase % (2016 vs. 2017 YTD)
Arca South	6 – 8	210K – 280K	35,000	250K – 280K	35,000	-
Bay City	6	198K	33,000	250K	41,666	26.26%
Bonifacio Global City	6 – 15	360K – 900K	60,000	* 480K – 1.2M	* 80,000	33.33%
Filinvest City	6 – 14	120K – 280K	20,000	144K – 365K	27,000	35%
Makati City	6 - 16	300K – 800K	50,000	400K – 1M	62,500	25%
Ortigas	N/A	200K – 350K	N/A	250K – 400K	N/A	15%

* Presence of live buyers at 80,000 AV, but no sellers

PROVINCIAL OFFICE MARKET

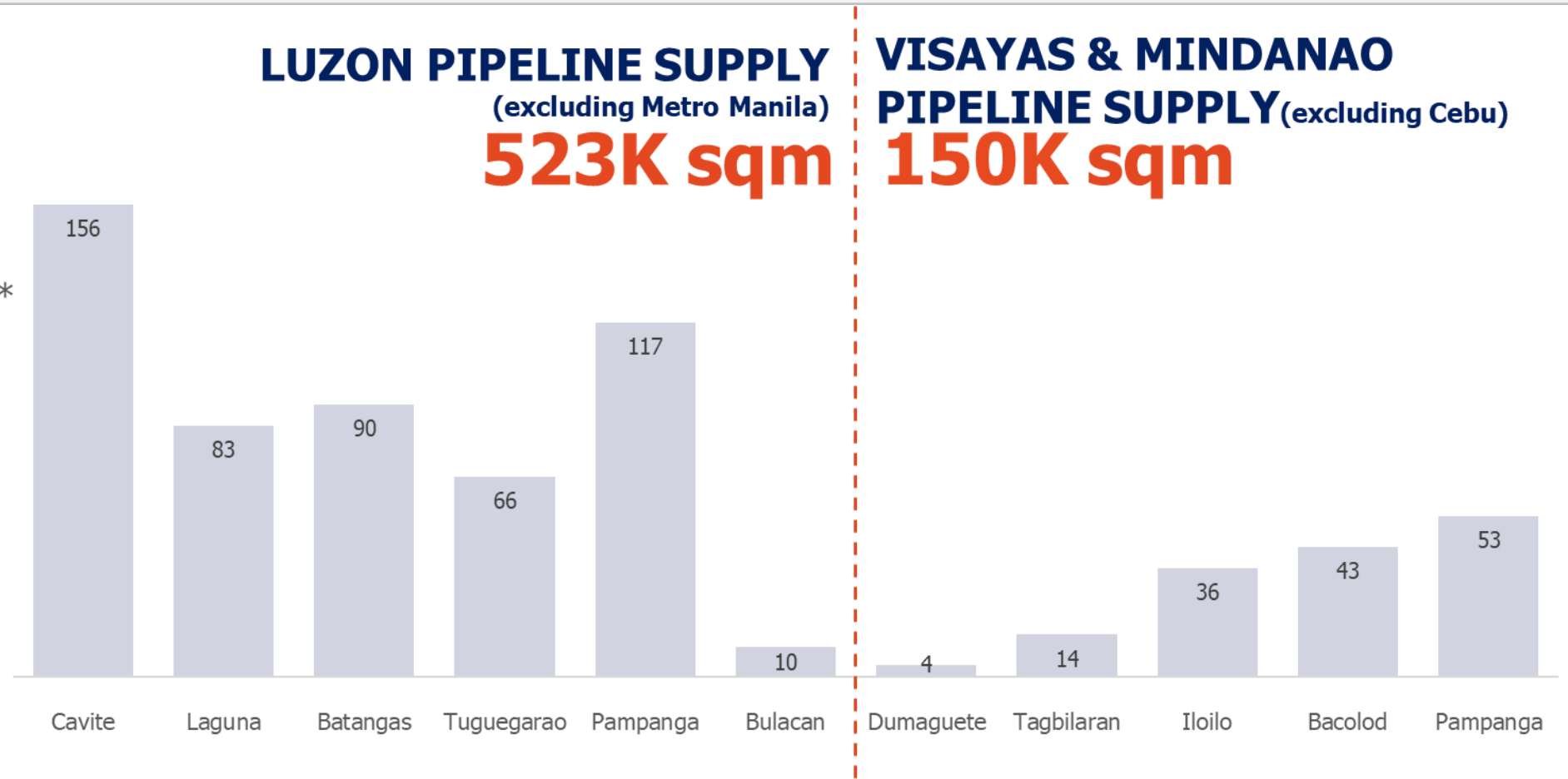
Provincial Office Supply Pipeline

Luzon, Visayas, & Mindanao excluding Metro Manila & Cebu (2018 to 2025E)

The ever-growing IT-BPM industry significantly impacts **acceleration of developments not just in Metro Manila, but all over the Philippines.**

The efforts of the **National Government to fund infrastructure projects** positively impact cities nearby Metro Manila such as Cavite, Laguna, and Pampanga as these cities become more accessible.

Major developers are expanding nationwide such as **Ayala Land, DoubleDragon, Megaworld, Profriends, Robinsons and SM.**

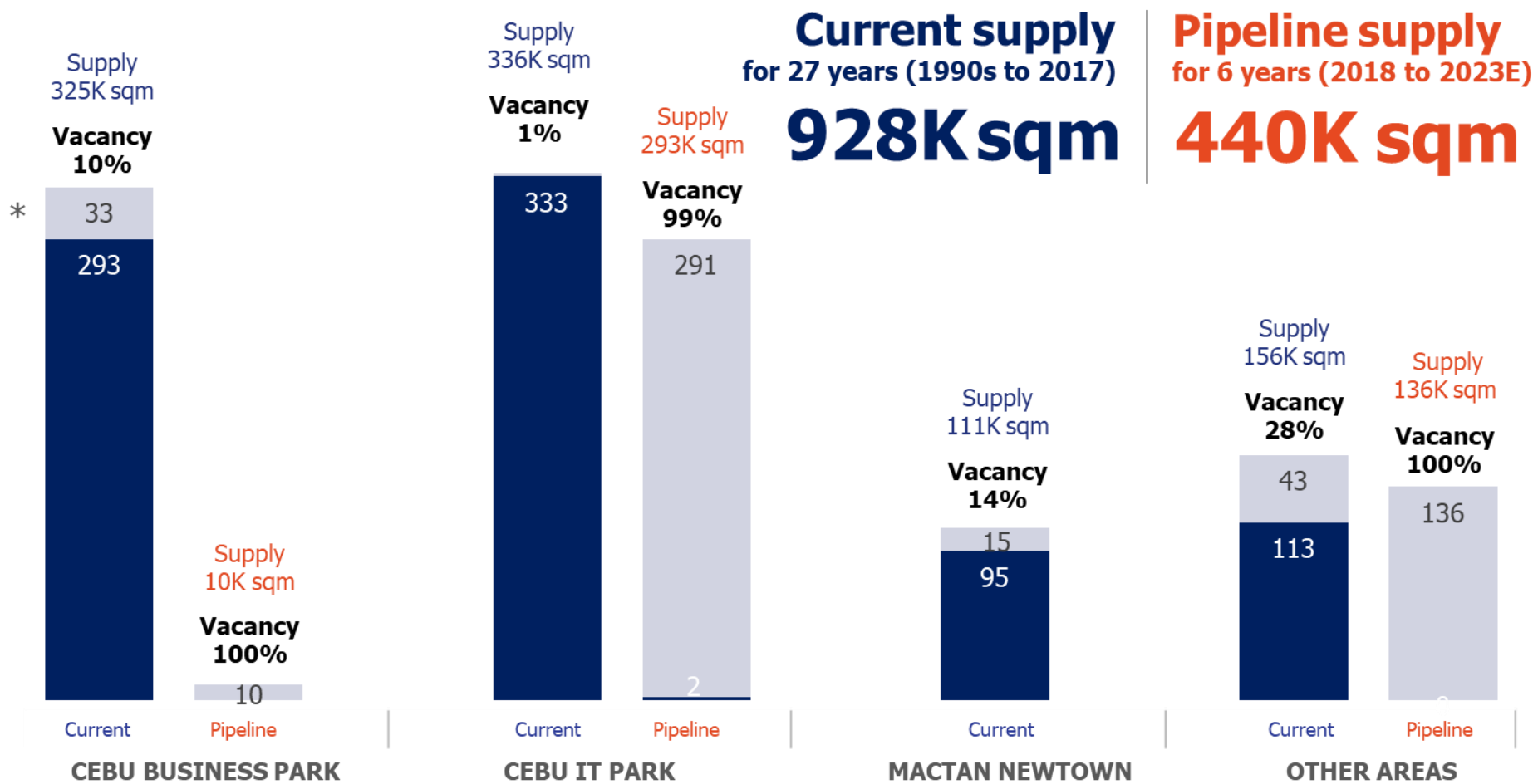


**Gross Leasable Area in thousands (sqm)*

Cebu continues to be one of the options of IT-BPM companies expanding outside Metro Manila.

Office supply in Cebu will increase by **47% within the next six years.**

Cebu IT Park is the core market in Cebu **representing 67% of the total pipeline supply.**



Legend:

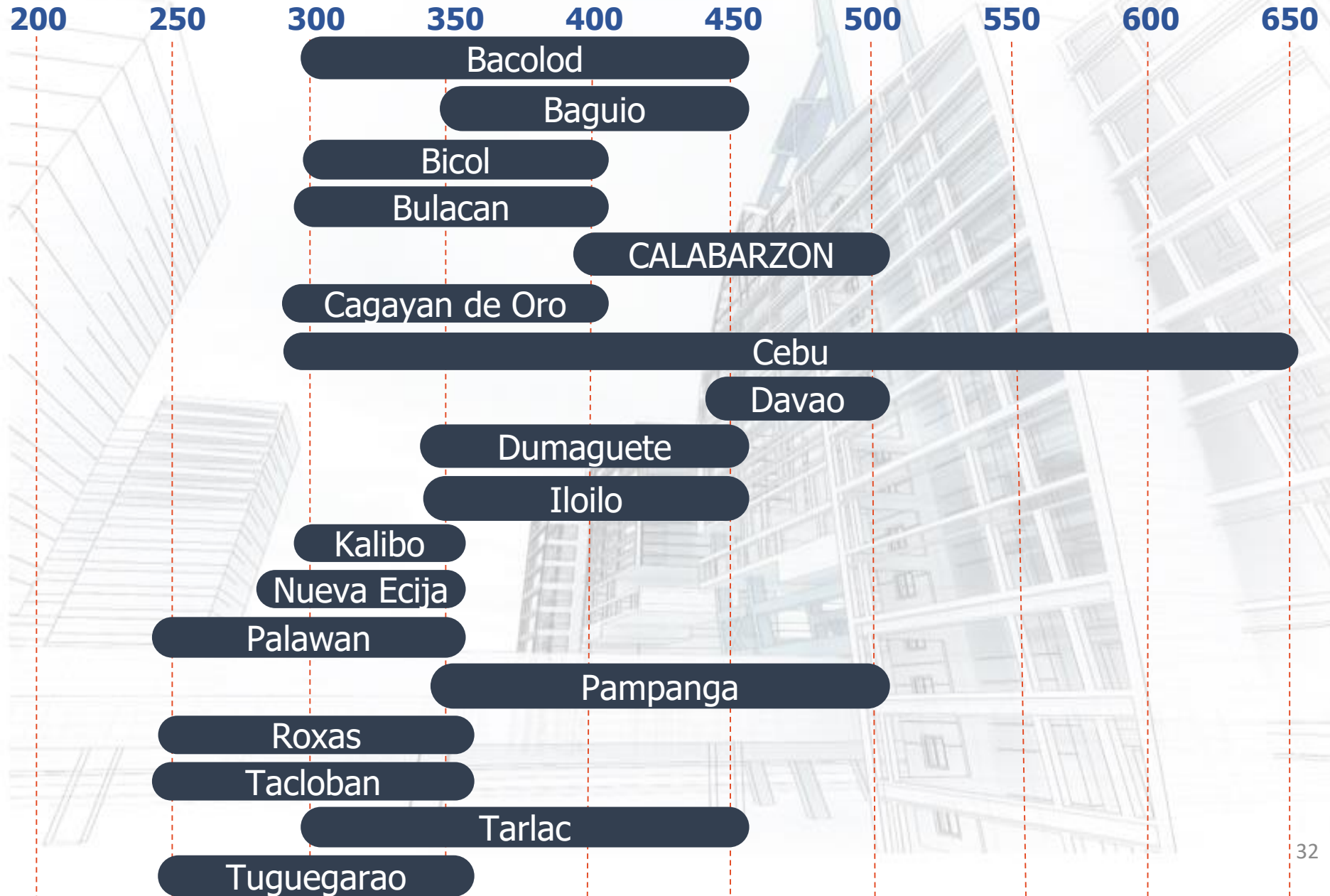
- Leased
- Vacant
- Pre-committed
- Pipeline Supply – Under Negotiation

*Gross Leasable Area in thousands (sqm)

Transacted Rental Range

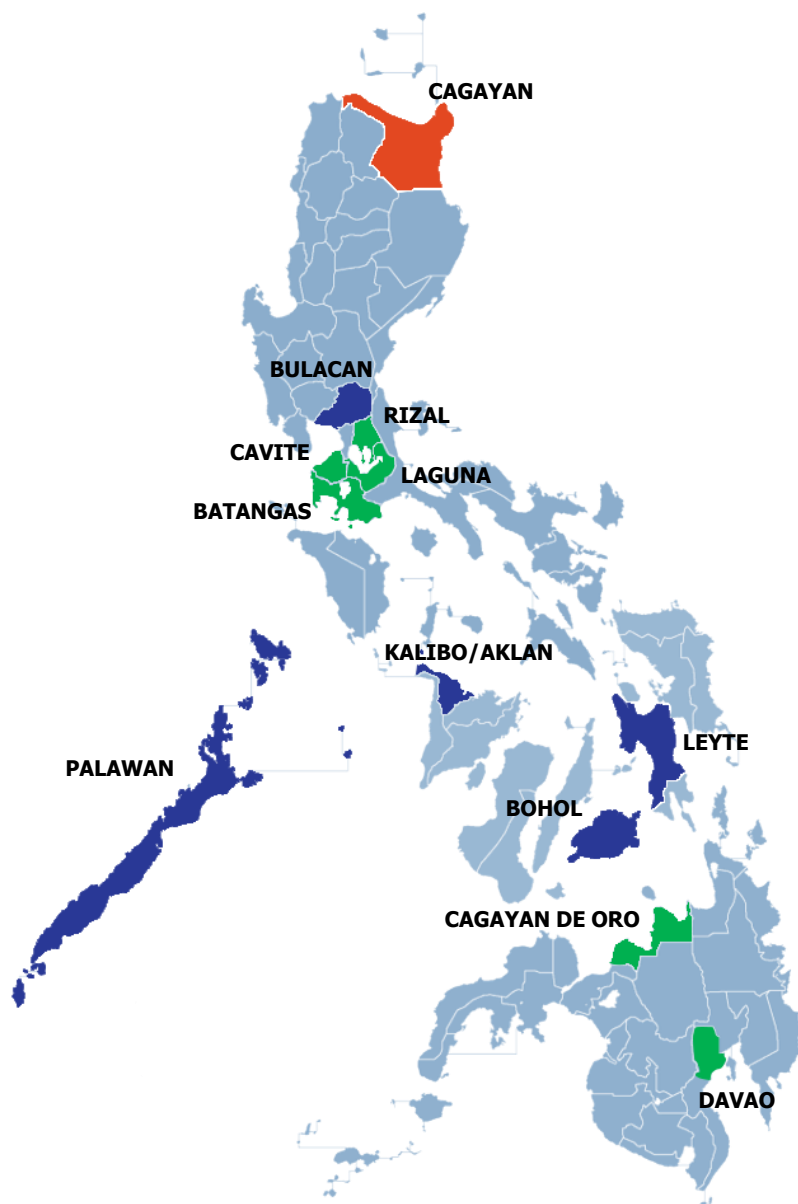
Provincial | PhP / sqm / month

Pesos per square meter



Provincial Real Estate Top Picks for BPOs

Current, 2017 and 2018



	RE Options	PEZA	Graduates	Population
Batangas	1 (5,000 sqm)	0	13,111 (AY 2014-2015)	2,694,335
Bohol	1 (5,000 sqm)	0	7,586 (AY 2014-2015)	1,313,560
Bulacan	4 (31,039 sqm)	2 (17,167 sqm)	15,188 (AY 2014-2015)	3,292,071
Cagayan	3 (23,280 sqm)	0	6,527 (AY 2014-2015)	1,199,320
Cavite	8 (73,074 sqm)	6 (49,174 sqm)	10,630 (AY 2014-2015)	3,678,301
Cagayan De Oro	7 (64,865 sqm)	4 (23,300 sqm)	7,799 (AY 2014-2015)	1,564,459
Davao	8 (89,289 sqm)	6 (26,730 sqm)	14,128 (AY 2014-2015)	2,537,909
Kalibo/Aklan	1 (5,000 sqm)	0	3,707 (AY 2014-2015)	574,823
Laguna	6 (81,540 sqm)	0	15,679 (AY 2014-2015)	3,035,081
Leyte	2 (10,000 sqm)	0	10,094 (AY 2014-2015)	1,966,768
Palawan	3 (14,860 sqm)	0	2,718 (AY 2014-2015)	1,104,585
Rizal	5 (15,300 sqm)	1 (5,300 sqm)	5,824 (AY 2014-2015)	2,884,227

LEGEND

- Provincial options with none, one, or two BPO locators
- Provincial options with exclusivity
- Presence of 3+ BPO locators

*Calamba and Batangas City offers exclusivity

RESIDENTIAL MARKET



Demand Drivers:

- IT-BPM sector has created a **growing market for residential condominium developments**
- Overseas Filipinos is a main pillar of the Real Estate industry making up a major part of the widening middle income market. **Over 60% of remittances go to real estate investments***



There is **no expected residential sales hike** due to the cautiousness of the Banks and Bangko Sentral ng Pilipinas.



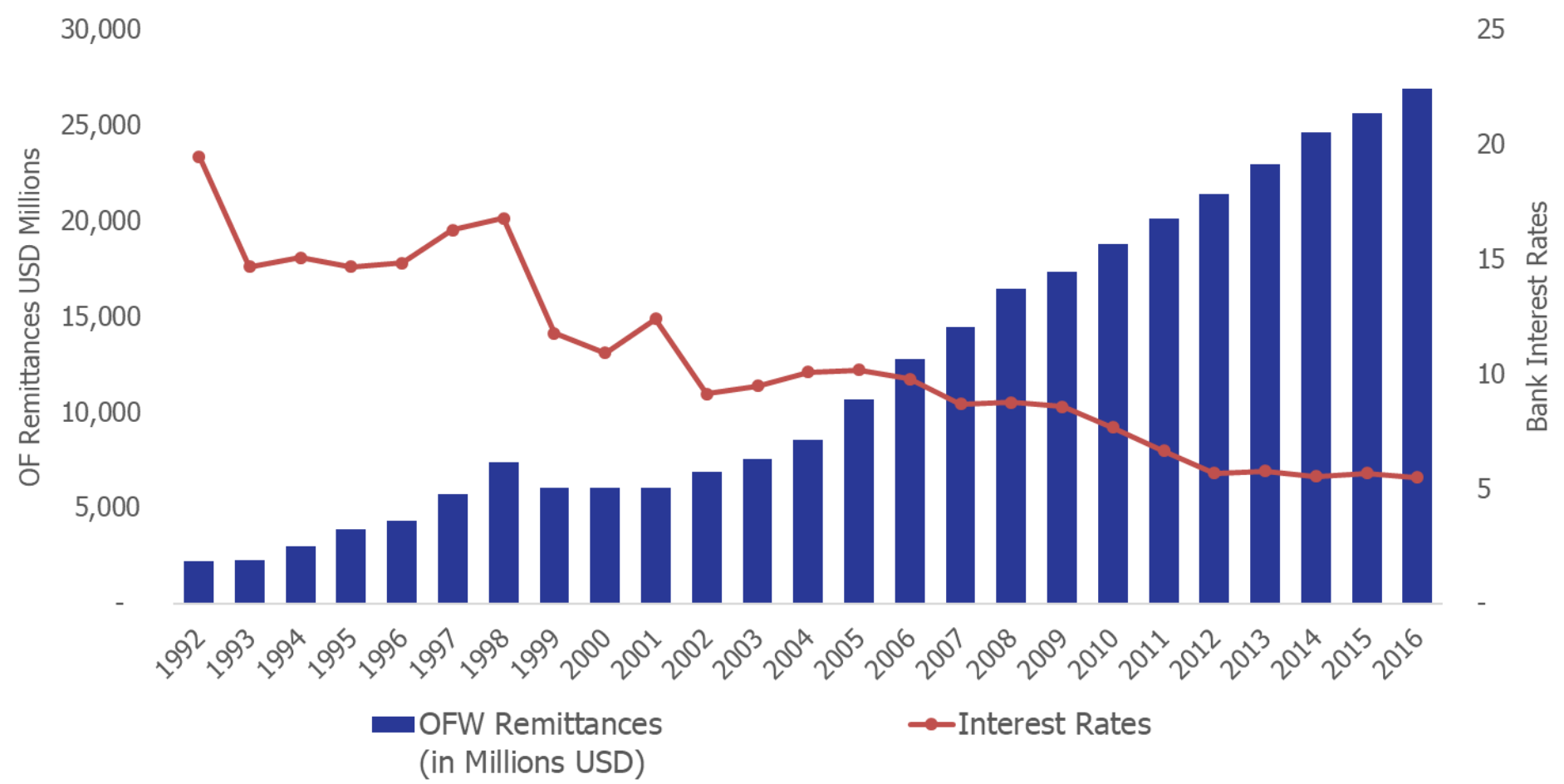
Developers have no more significant landbank, thus the **direction to go out of NCR**, looking at:

- 1) Reclamation projects along Manila Bay and Laguna de Bay.
- 2) Townships in major cities and towns like Cavite, Laguna, Clark, Cebu, Iloilo and Davao.
- 3) Government land and military bases.
- 4) Improving industrial estates and manufacturing will result to out of Manila subdivision projects or townships outside Metro Manila.

Residential Demand Driver

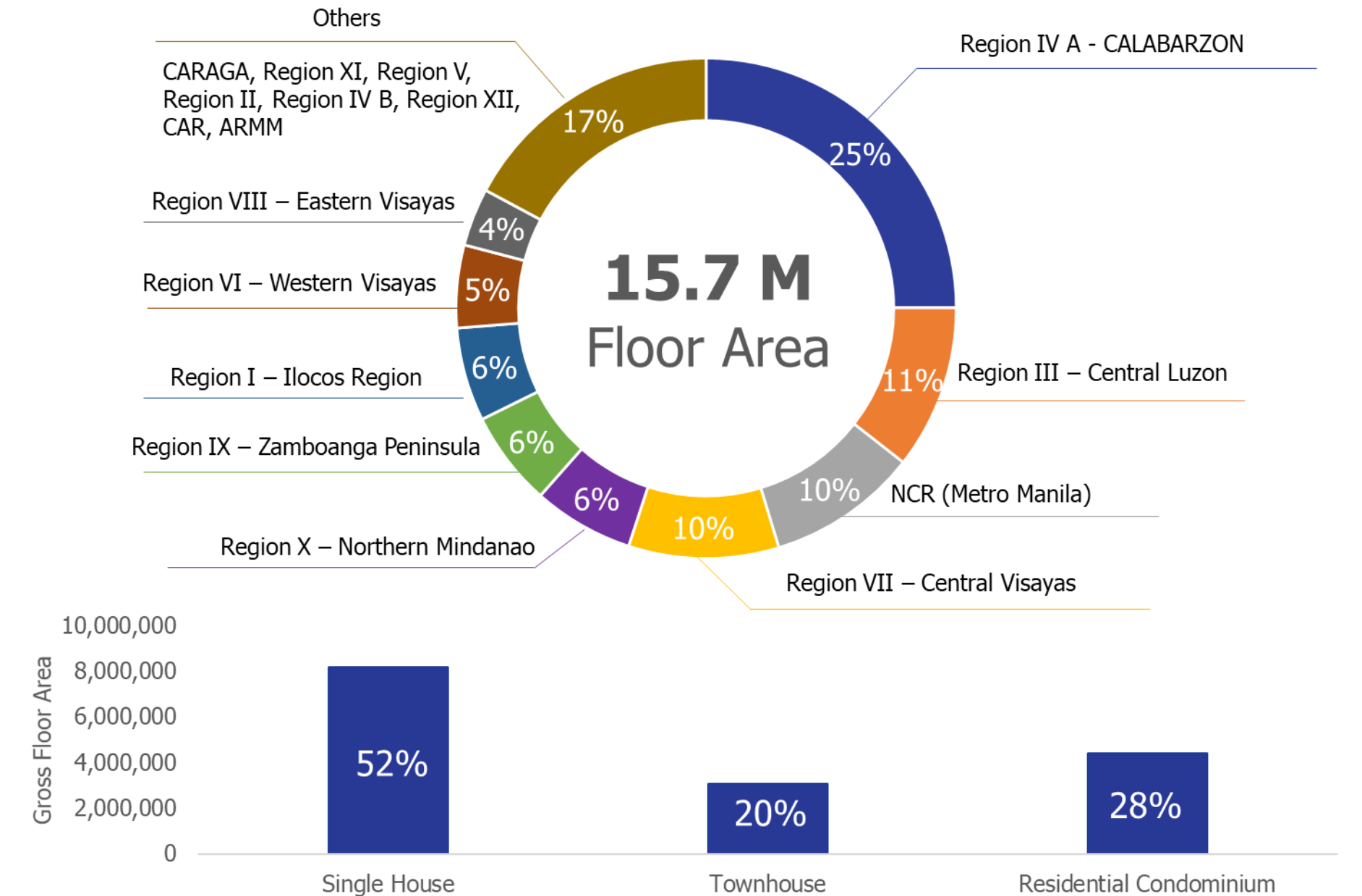
2016 OF Remittances has seen a **growth of 5% y-o-y** or **US\$26.8Bn** from 2015's **US\$25.6Bn**.
60% of remittances is being invested into the real estate sector

As **interest rates collapse**, more residential condominium units are being introduced to the market and more money from OF remittances are channeled into real estate.



Residential Constructions (Ongoing)

Approved Building Permits by Floor Area in 2015

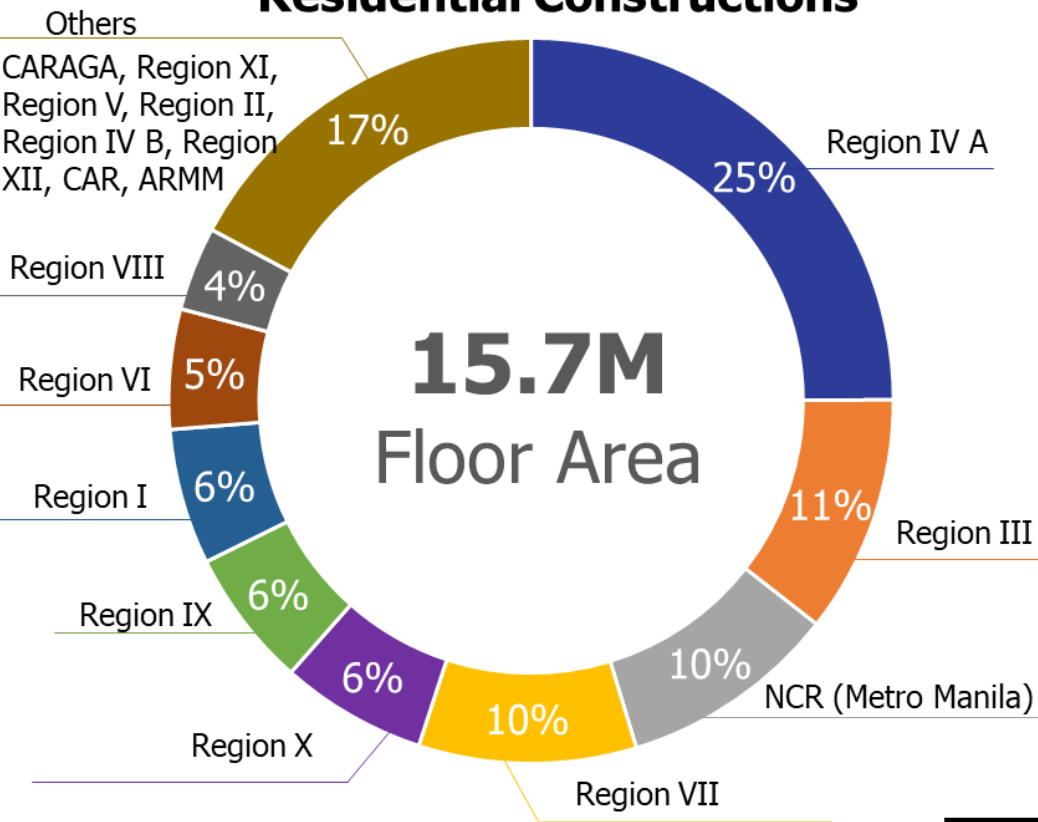


*Source: Philippine Statistics Authority

Residential Constructions vs OFW Deployment

Approved Building Permits by Floor Area in 2015

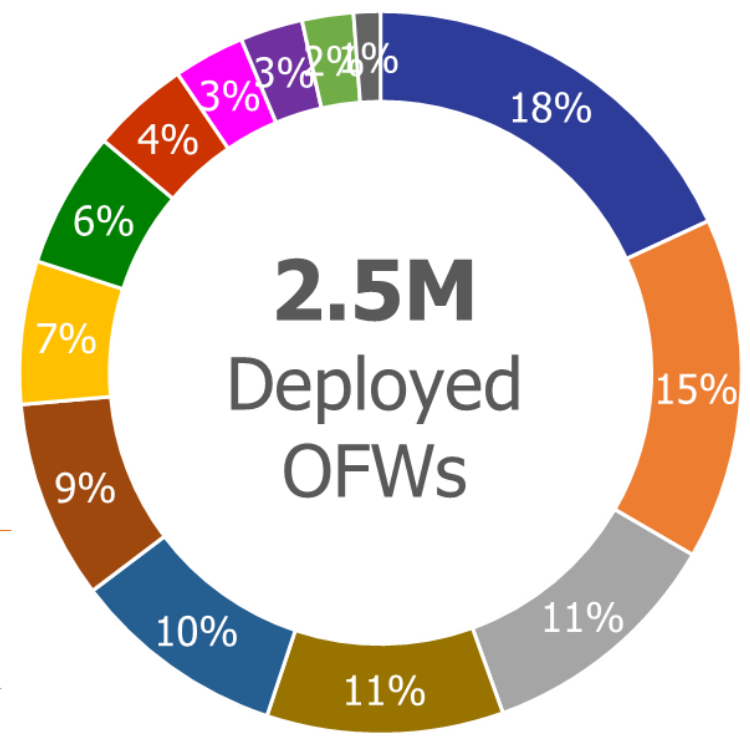
Residential Constructions



Top 5 regions in terms of number of ongoing construction (2015):

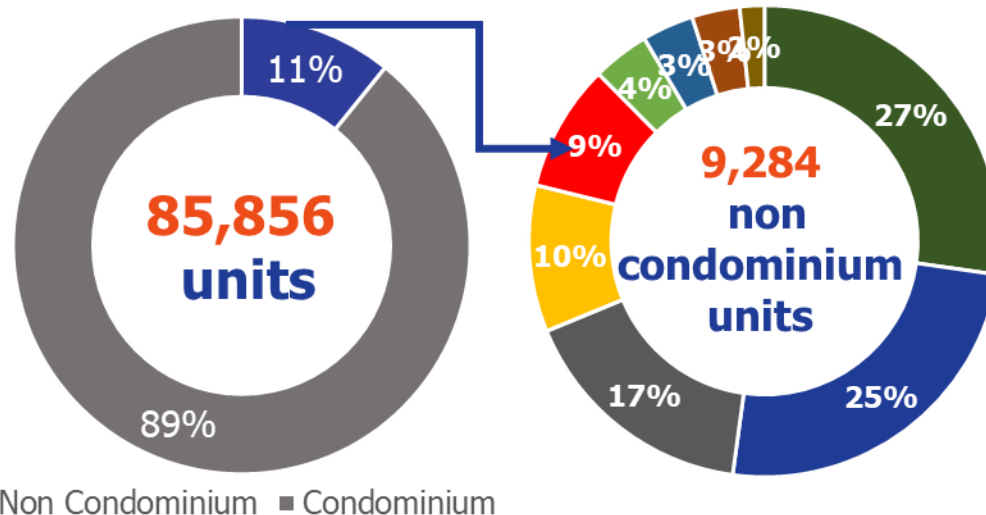
- Region IV-A (CALABARZON) 25%
- Region III (Central Luzon) 11%
- NCR (Metro Manila) 10%
- Region VII (Central Visayas) 10%
- Region X (Northern Mindanao) 7%

OFW Deployment



LEGEND					
Region IV- A	Region II	Others Region XI ARMM Region IV B CAR			
Region III	Region XII				
NCR	Region V				
Region I	Region X				
Region VI	Region IX				
Region VII	Region VIII				

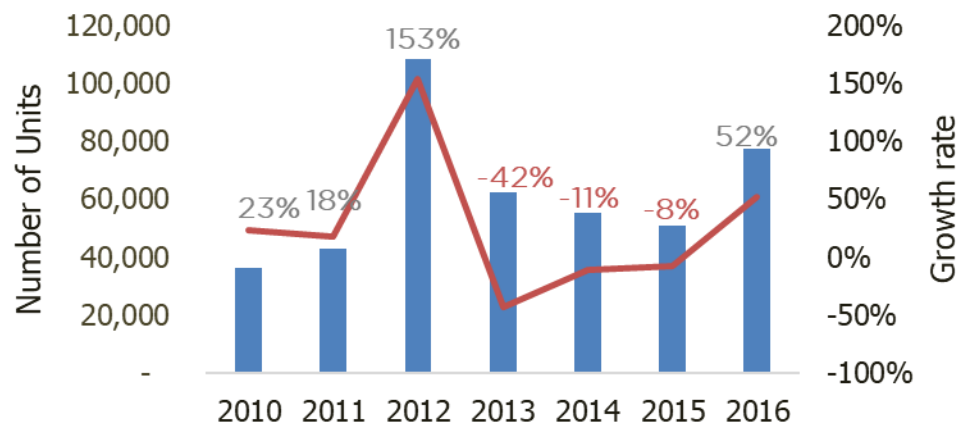
*Source: Philippine Statistics Authority



- Economic Housing H&L
- Open Market H&L
- Open Market Lot
- Compliance H&L
- Socialized Condominium
- Economic Housing Lot
- Open Market Mix
- Socialized Housing H&L
- Economic Housing Mix

Market Segment	Price Range
Socialized	P450k & below
Low Cost	Low Cost 1 P450k-P1.7Mn
	Low Cost 2 P1.7Mn to P3Mn
Medium Cost	P3Mn-P4Mn
Open Housing	Above P4Mn

Condominium Historical Supply



- ✓ Sudden increase of residential supply in 2012, but significant decline from 2013-2015
- ✓ Supply introduced in 2012 **is more than previous 3 years supply combined**
 - Steady economic growth
 - Western firms offshoring to PH
 - Buying power of OFW
 - Low interest rate

Residential Condominium Supply

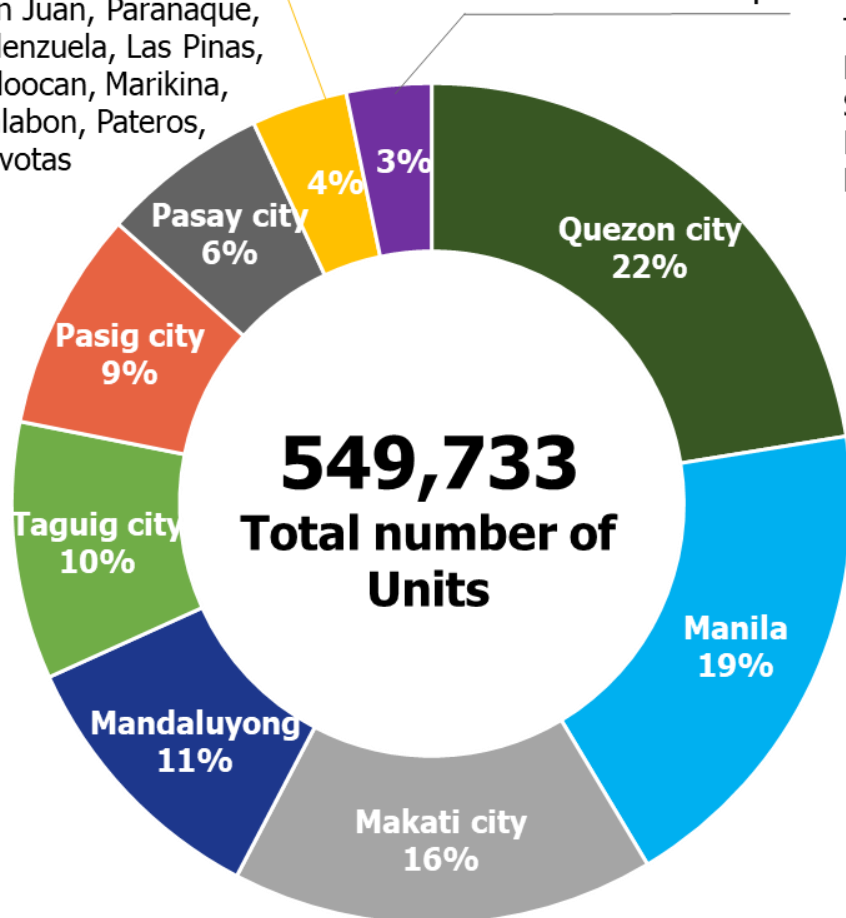
Combined Preselling and RFO units in Metro Manila (1992 to 1Q 2017)

By Number of Units

Others

San Juan, Paranaque, Valenzuela, Las Pinas, Caloocan, Marikina, Malabon, Pateros, Navotas

Muntinlupa



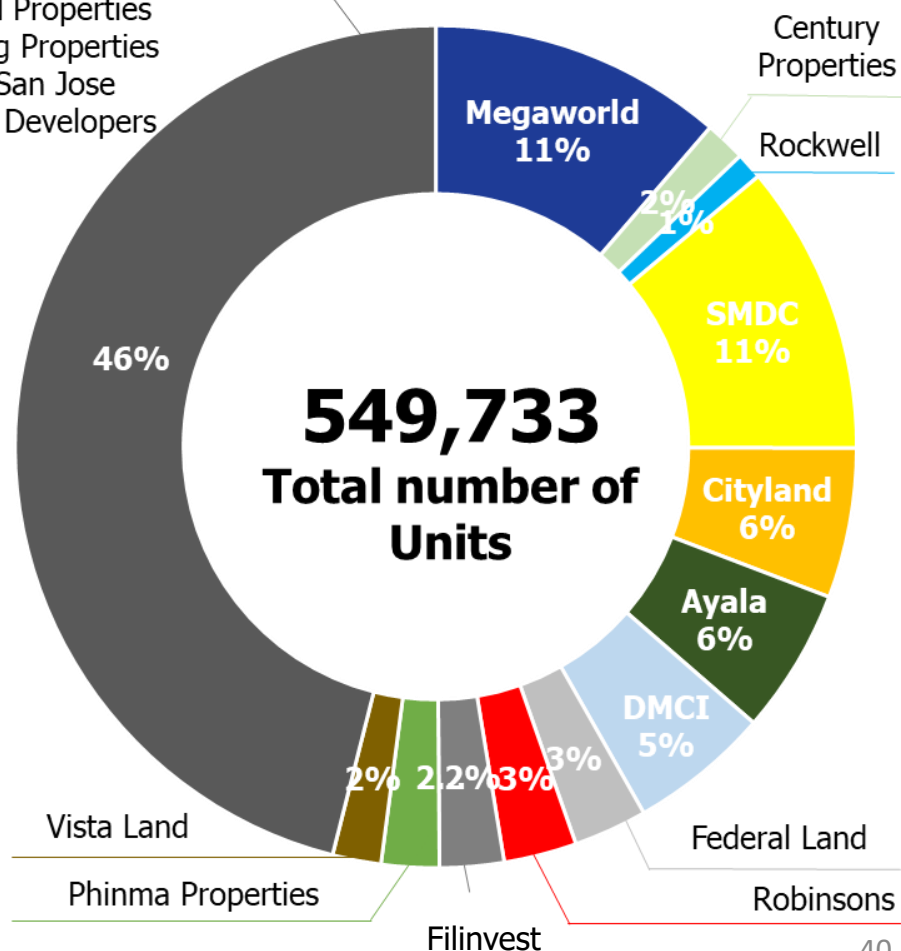
549,733
Total number of
Units

By Developer

- 54% of the total supply are from the top 12 players in Residential Condominium.
- Volume of the supply are from Megaworld and SMDC.

Others

Top 3:
ETON Properties
Shang Properties
New San Jose
Local Developers

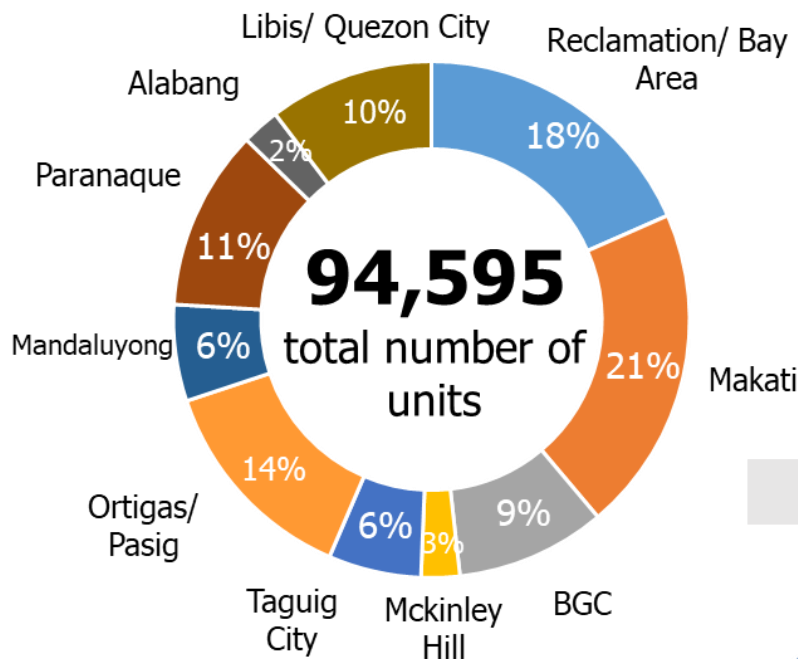


549,733
Total number of
Units

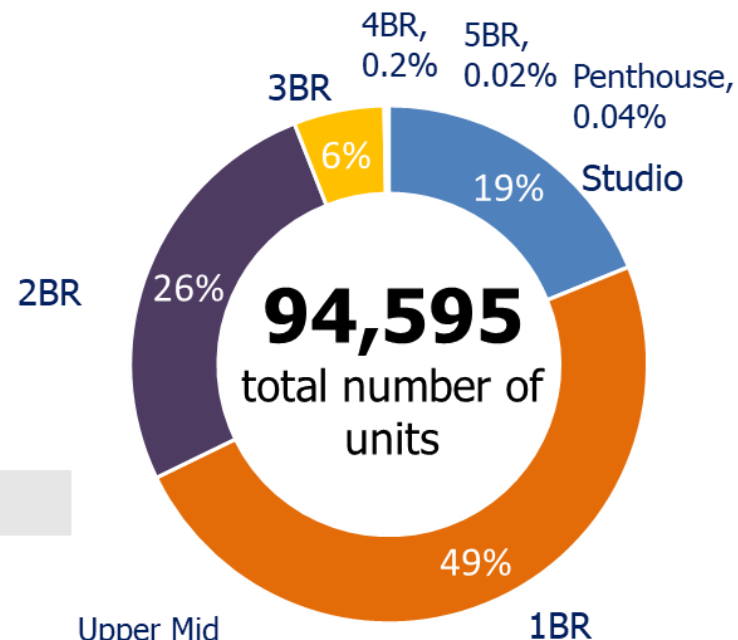
Residential Condominium Supply

By Selected Major Developers (2010-2016)

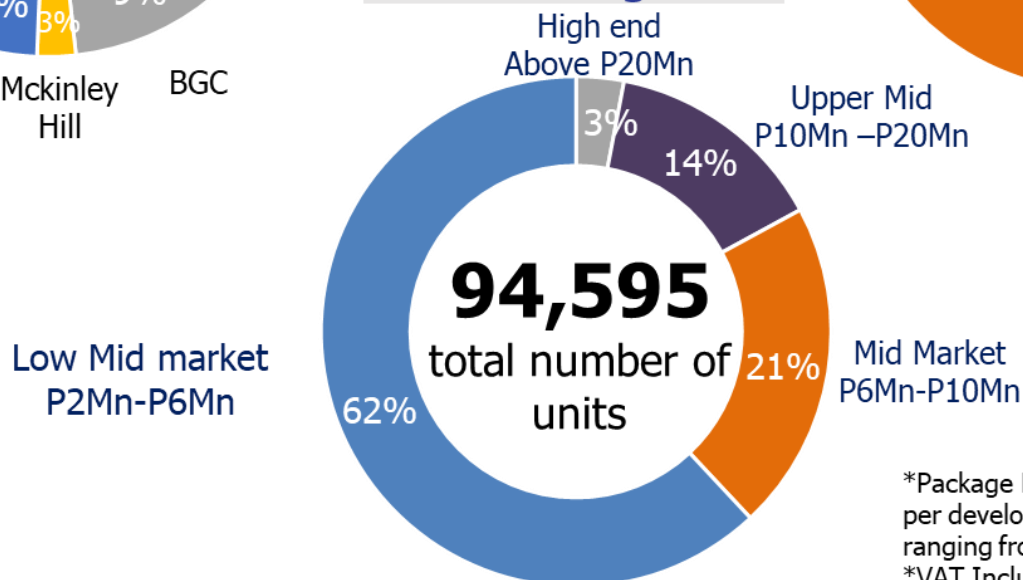
By Location



Unit Supply



Pricing

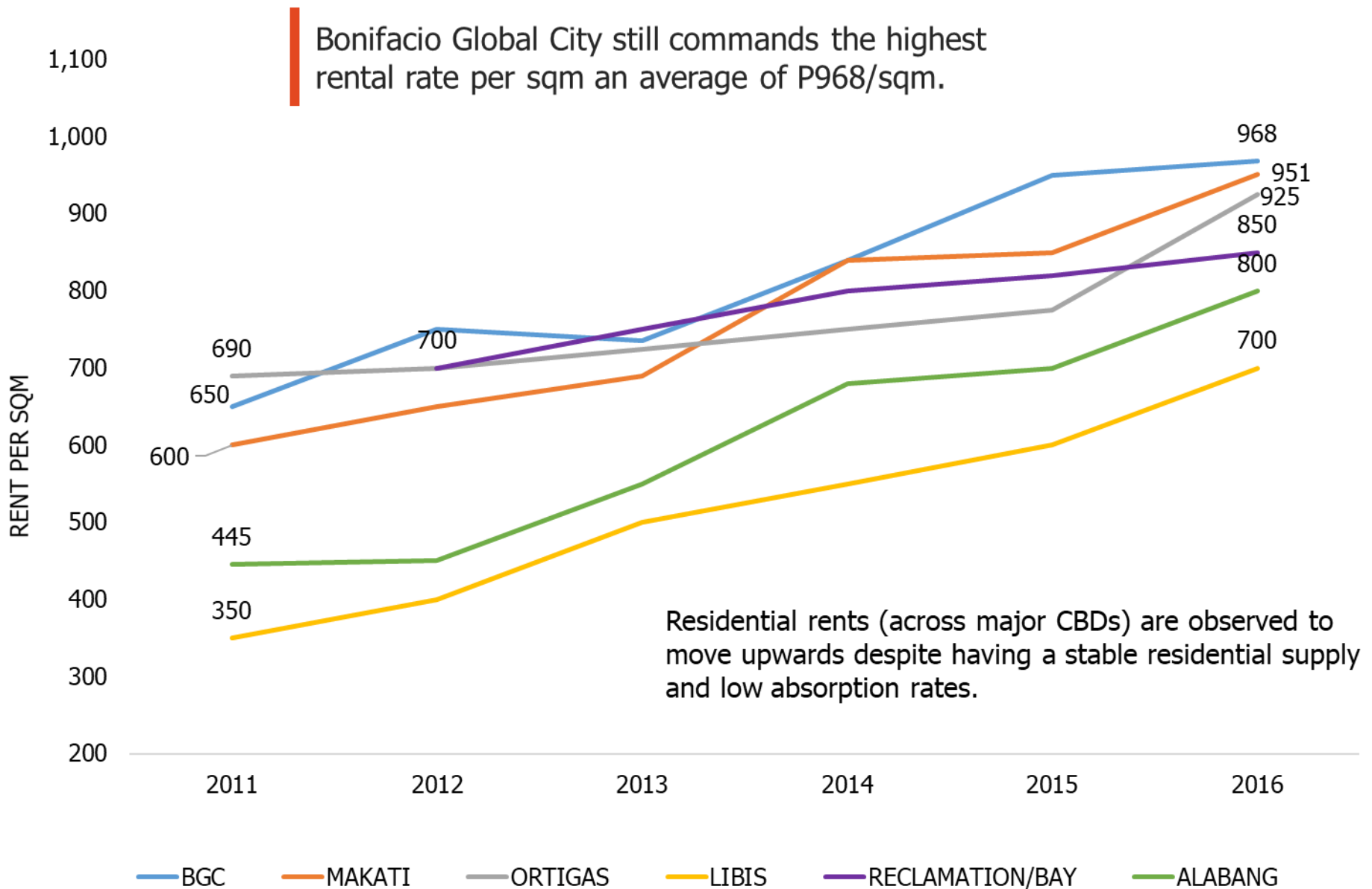


*Package Price based on most saleable unit type per development (Mostly Studio -2BR with sizes ranging from 22-62 sqm)

*VAT Inclusive

Historical Residential Rental Rate

Increase in the rent rates of residential condominiums over the last 5 years



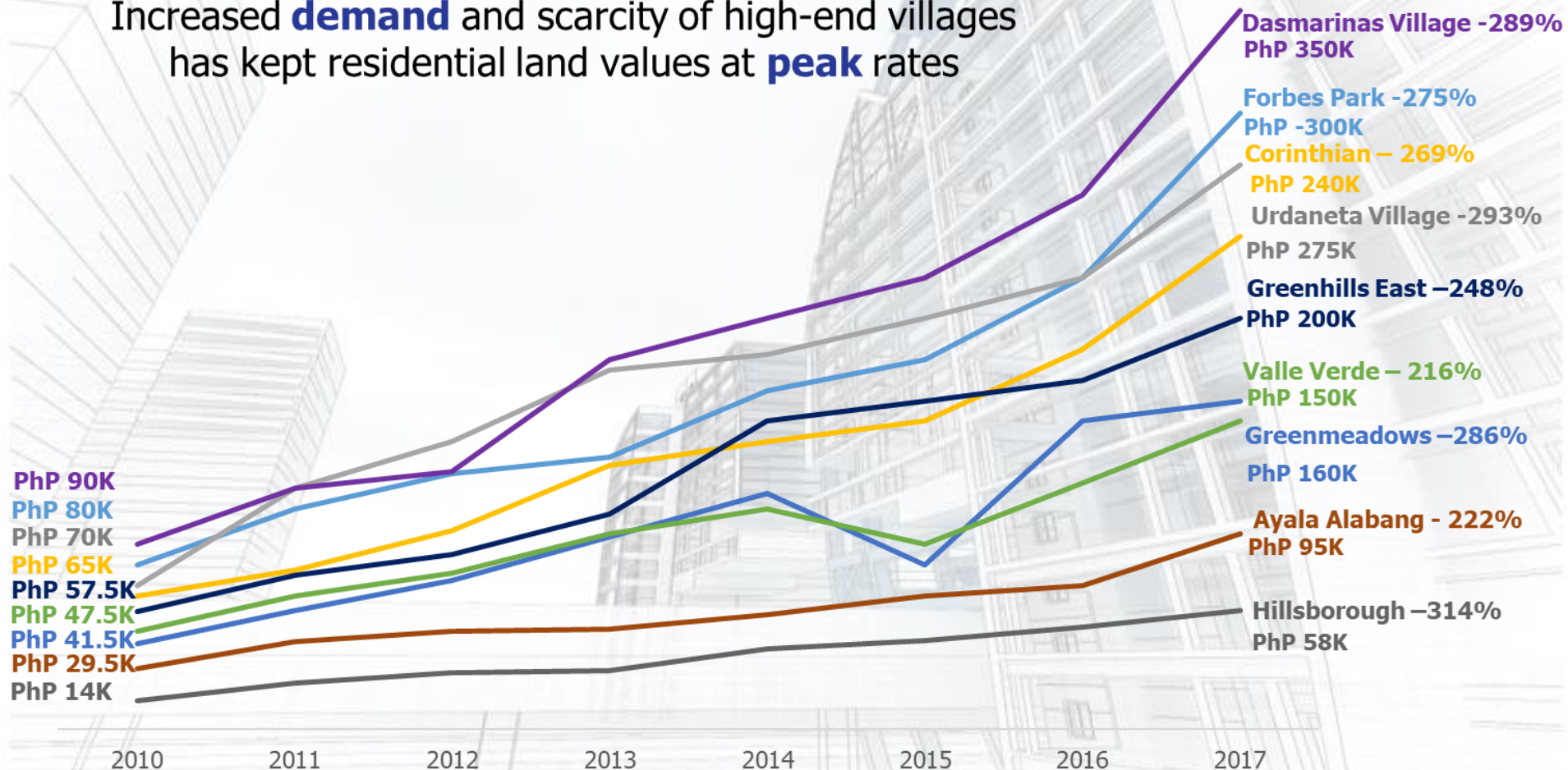
*Based on typical studio or 1BR unit

*Inclusive of Dues

Residential Historical Land Values

High-End Residential Villages (2010 to 2017)

Increased **demand** and scarcity of high-end villages has kept residential land values at **peak** rates



Land Price in Selected High-end Residential Villages

Per sqm

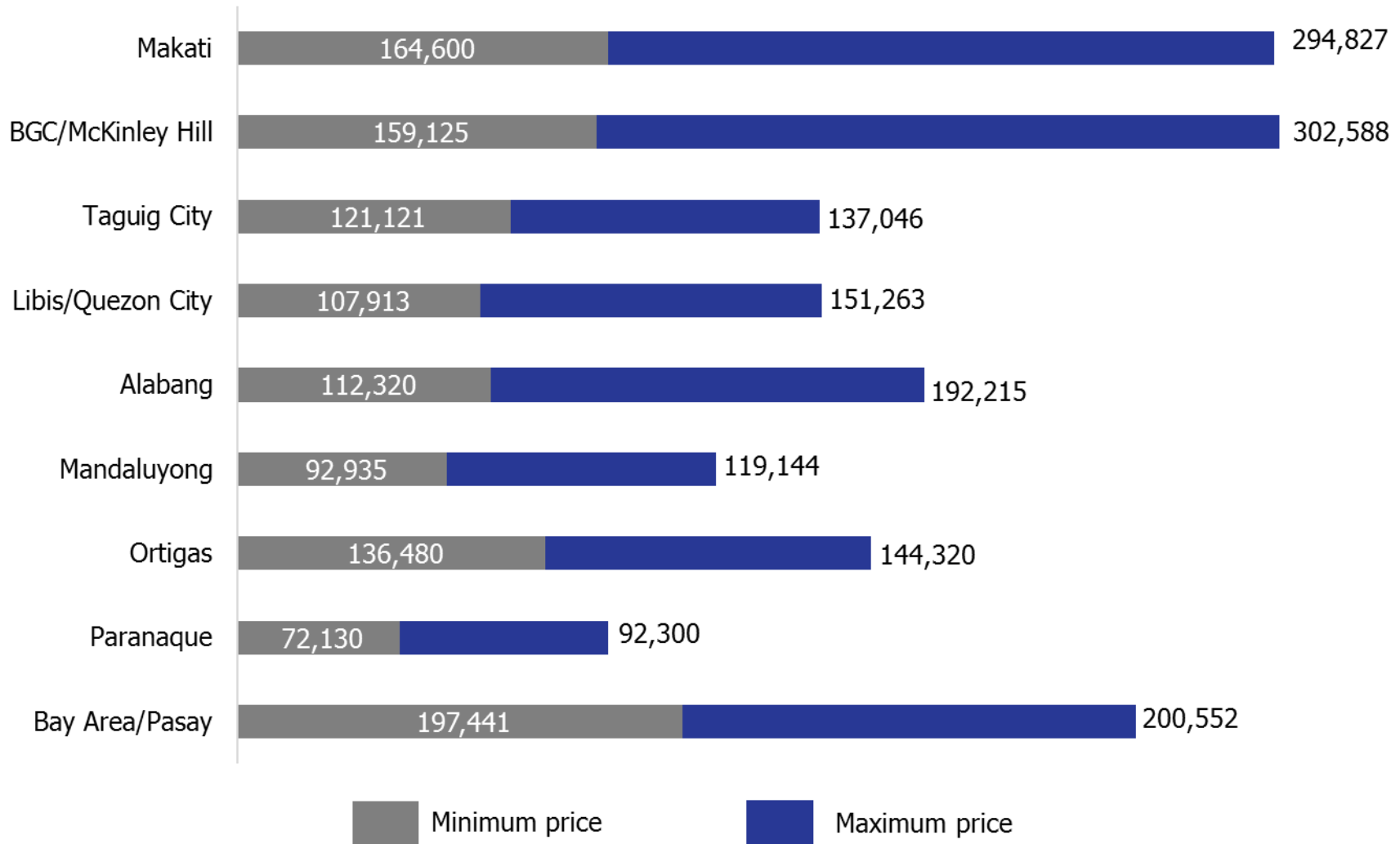
Prices of land in high-end residential villages have **surged** in the last 55 years, and are not foreseen to go down anytime soon.

Year	Dasmariñas Village	Forbes Park	Urdaneta Village	San Lorenzo Village	Bel-Air Village	Ayala Alabang
1962	PhP 88.00	PhP 88.00	PhP 75.00	PhP 55.00	PhP 57.00	-
1972	PhP 200.00	PhP 228.00	PhP 195.00	PhP 175.00	PhP 188.00	PhP 170.00
1982	PhP 1,500.00	PhP 1,750.00	PhP 1,400.00	PhP 1,375.00	PhP 1,300.00	PhP 300.00
1992	PhP 10,500.00	PhP 10,500.00	PhP 6,875.00	PhP 5,550.00	PhP 8,500.00	PhP 10,000.00
2002	PhP 42,000.00	PhP 57,500.00	PhP 41,470.00	PhP 20,428.00	PhP 28,758.00	PhP 22,500.00
2004	PhP 50,750.00	PhP 70,000.00	PhP 47,500.00	PhP 36,937.00	PhP 41,881.00	PhP 25,000.00
2009	PhP 90,000.00	PhP 100,000.00	PhP 60,000.00	PhP 50,000.00	PhP 58,000.00	PhP 30,000.00
2010	PhP 110,000.00	PhP 120,000.00	PhP 75,000.00	PhP 60,000.00	PhP 65,000.00	PhP 33,000.00
2012	PhP 180,000.00	PhP 130,000.00	PhP 85,000.00	PhP 110,000.00	PhP 159,000.00	PhP 65,000.00
2017	PhP 345,000.00	PhP 280,000.00	PhP 250,000.00	PhP 260,000.00	PhP 260,000.00	PhP 95,000.00

Metro Manila Condominium Prices

PhP per sqm

Sustained demand and **limited supply** of high-end condominiums in Makati City and Bonifacio Global City have pushed prices to an **all time high**, peaking at a little over PhP 300,000 per sqm.



PHILIPPINE TOURISM

And Other Global Trends

FY 2016 International Tourist Arrivals

Asia Pacific



TOTAL
GLOBAL
TOURIST
ARRIVALS

1.23
BILLION



TOTAL
ASIA
PACIFIC
TOURIST
ARRIVALS

267
MILLION



TOTAL
PHILIPPINE
TOURIST
ARRIVALS

5.9
MILLION

48% of 1%





	Singapore	Malaysia	Thailand	Indonesia	Sri Lanka	Vietnam	Philippines	Lao PDR	Cambodia
Tourist Arrivals (2015)	12M	25.7M	29.9M	10.4M	1.7M	7.9M	5.3M	3.5M	4.7M
GDP Contribution	4.8%	4.4%	9.3%	3.3%	4.6%	6.6%	4.2%	4.6%	13.5%
COMPETITIVENESS RANKING (out of 136 countries)									
Overall Ranking	13	26	34	42	64	67	79	94	101
Price Competitiveness	91	3	18	5	20	35	22	14	51
Safety & Security	6	41	118	91	59	57	126	66	88
Business Environment	2	17	45	60	50	68	82	47	125
Air Transport Infrastructure	6	21	20	36	68	61	65	97	96
Ground & Port Infrastructure	2	34	72	69	45	71	107	111	108
Tourist Service Infrastructure	24	46	16	96	94	113	87	86	102
Natural Resources	103	28	7	14	31	34	37	71	62



Over 1,785,000 tourist arrivals in the first quarter of 2017, **15% higher** than first quarter 2016.



13 new international routes from local carriers in 2016. New direct flights by both foreign and local carriers create **888,056 additional annual seat capacity**.



DOT's **National Cruise Tourism Development Strategy** identifies the **Turquoise Triangle** (Manila, Boracay and Northern Palawan) as priority areas for cruise development. In 2016, the PH attracted **72 port calls**. Target is for **more than 100 port calls in 2017**. Cruise Tourism has proven to be **the fastest growing segment** in Philippine Tourism.



Infrastructure
Development



Safety and
Security



Tourism
Investments



Inclusive and
Diversified Growth

Philippine Airports

Pipeline

LEGEND :

RECENTLY COMPLETED

EXPANSION/
REDEVELOPMENT

AIRPORTS TO BE BUILT

EXPANSION

Passenger Capacity:
8.8 M – 24 M
Area: 37, 000 sqm –
82,000 sqm

The boost in Philippine tourism necessitates **more** runways and airport to **meet the demand** in different destinations in the country.

2017

San Vicente Airport

Kalibo International Airport

El Nido Airport

Puerto Princesa International Airport

2018

Mactan – Cebu International Airport

Bicol International Airport

2019

Caticlan International Airport

~ 2025

Sangley Point International Airport (BIDDING)

San Fernando Airport (PLANNING)

Clark International Airport (BIDDING)

Ninoy Aquino International Airport (PLANNING)

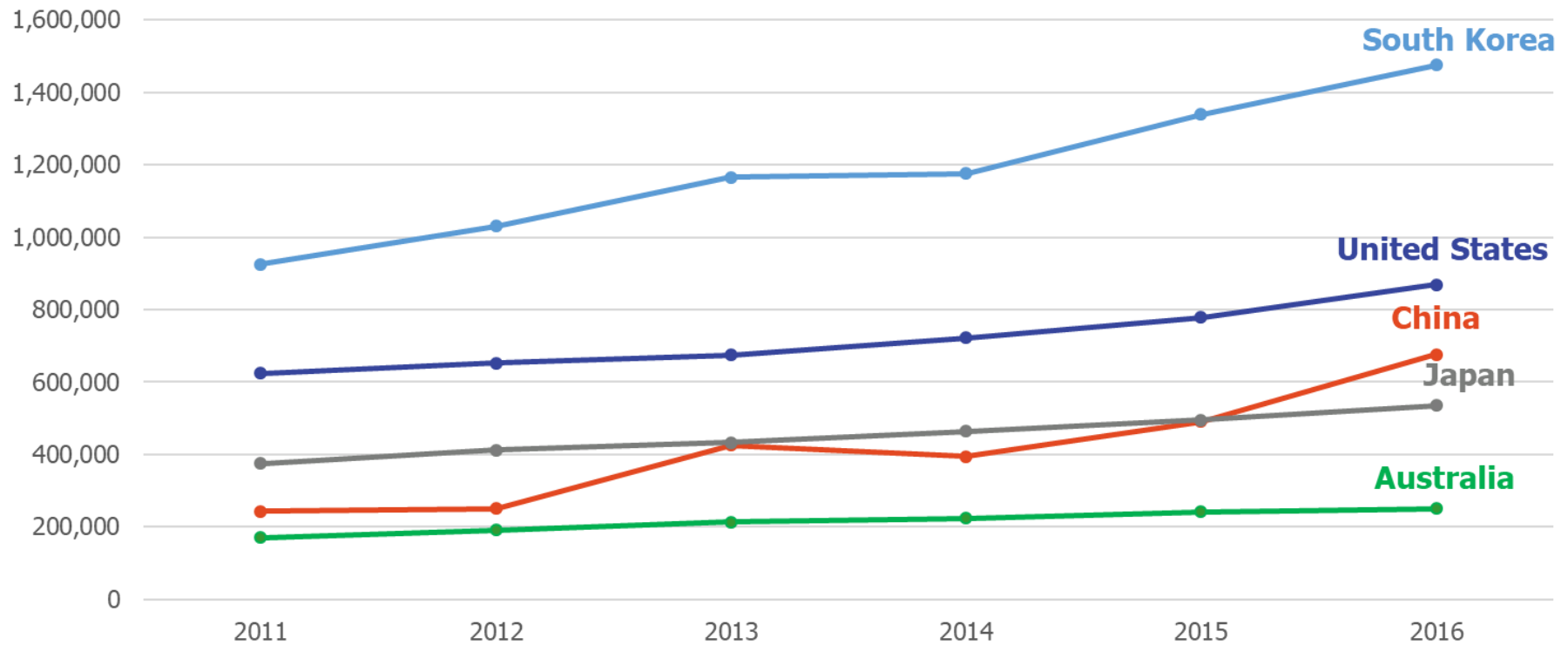
Coron Airport (PLANNING)

Philippine Tourist Arrivals

Top 5 Markets

50% of PH tourist arrivals in the **last 3 years** are from the top 3 source markets: **South Korea, US** and **China**.

Significant increase in **Chinese and American tourists** in this administration.



670K out of 59M
Chinese international
tourists went to the
Philippines representing
1.7% market share.

Airports in the Philippines

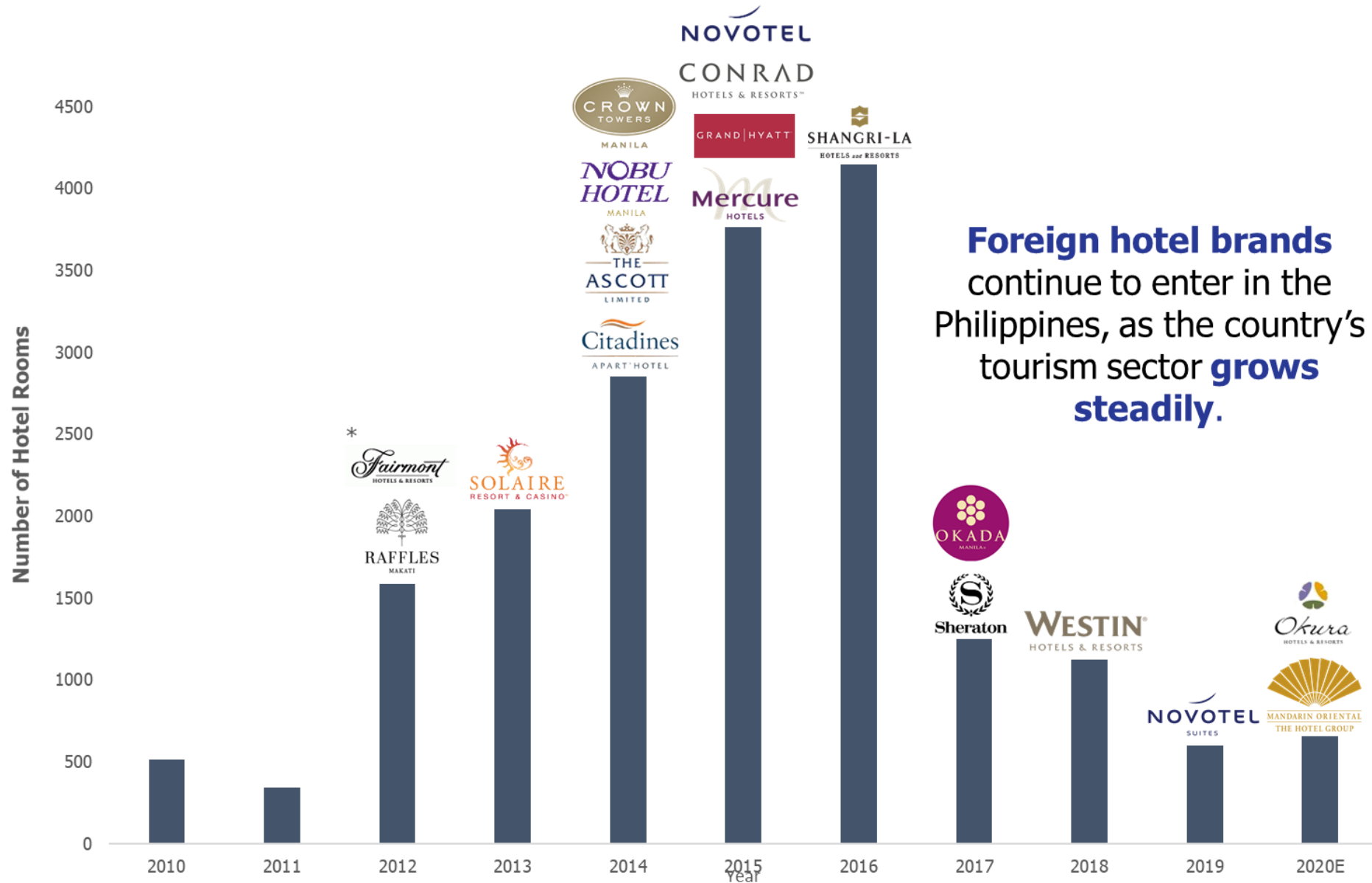
2016 Passenger Count

Significant growth
in passenger traffic
from 2011 to 2016.

	Average Number of Daily Flight Arrivals (2011)	Average Number of Daily Flight Arrivals (2016)	Annual Passenger Footprint (Inbound and Outbound)	Growth in Passenger Footprint (2011 to 2016)
Metro Manila	350 flights daily (100 are Int'l flights)	650 flights daily (182 are Int'l flights)	39.5 Million (2016) 31.5 Million (2011)	25%
Cebu City	84 flights daily (25 are Int'l flights)	170 flights daily (38 are Int'l flights)	8.8 Million (2016) 6.2 Million (2011)	42%
Davao City	15 flights daily (1 is Int'l flight)	54 flights daily (5 are Int'l flights)	3.5 Million (2016) 2.6 Million (2011)	35%
Kalibo	11 flights daily (5 are Int'l flights)	43 flights daily (8 are Int'l flights)	2.7 Million (2016) 1.3 Million (2011)	108%
Iloilo	14 flights daily	33 flights daily (1 is Int'l flight)	1.9 Million (2016) 1.7 Million (2011)	12%
Cagayan de Oro	9 flights daily	27 flights daily	1.7 Million (2016) 1.4 Million (2011)	21%
Puerto Princesa	6 flights daily	21 flights daily	1.6 Million (2016) 988K (2011)	62%
Bacolod	10 flights daily	24 flights daily	1.4 Million (2016) 1.3 Million (2011)	8%
Tacloban	10 flights daily	17 flights daily	1.1 M (2016) 1 Million (2011)	10%
Zamboanga	6 flights daily	16 flights daily	980 K (2016) 804K (2011)	22%
Clark	5 flights daily (2 are Int'l flights)	23 flights daily (16 are Int'l flights)	950 K (2016) 767K (2011)	24%

Timeline of Metro Manila Hotels

2010 to 2020E



Foreign hotel brands continue to enter in the Philippines, as the country's tourism sector **grows steadily**.

50% chance that computers could **reach human-level intelligence** as soon as **2050** - just **35 years** away

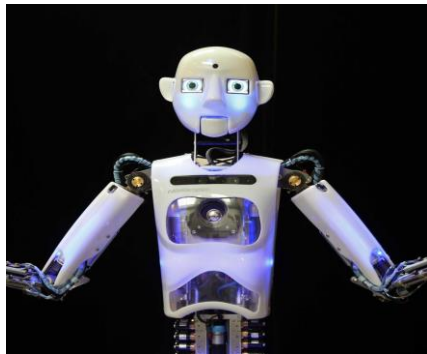
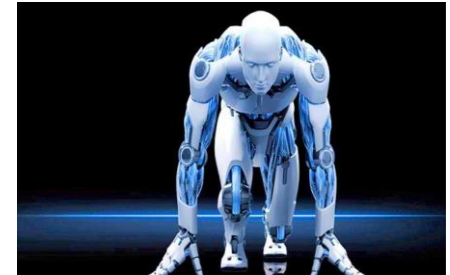


Automation would erase
22.7 million
US jobs by **2025**

By 2018, global sales of industrial robots will grow an average **y-o-y by 15%** - units sold will **double to around 400,000 units**

Machine-human parity may reach a **1:1 ratio** by **2040**

Tech Companies spent **USD 8.5 billion last 2015 on artificial intelligence**, four times more than in 2010



Global Robotics Market is expected to reach **USD 82.7 billion by 2020**

Asia was the **biggest robot market** (139,000 units) in 2014, 41% higher than in 2013



Worldwide market value for robot systems in 2014 is estimated to be **USD 32 billion**

About LEECHIU PROPERTY CONSULTANTS



MISSION

To deliver superior value and profitable real estate solutions for like-minded partners through local, dynamic & insightful property-related expertise in corporate leasing and investments.

To be the advisor of choice who provides the most strategic and outstanding property-related advice, solutions and services to our customers. Our company values unity, integrity and passion for excellence.

VISION

Together, our firm, redefines the real estate industry by being a catalyst of sustainable growth, through principled and expert property consulting advice and action.

Our Services



**Occupier
Solutions**



**Project
Leasing**



**IT-BPM Site
Selection**



**Investment
Sales**



**Research &
Consultancy**

**The Philippines' deepest bench of
seasoned real estate advisors & brokers**

Occupier Solutions

Occupier Solutions transactions to date

Closed Deals

562,000 SQM

Live Deals

503,000 SQM

Our Clients

BERJAYA
MAKATI - PHILIPPINES
HOTEL



FLUOR **FWD**



howden

Manulife



SECURITY BANK



IT-BPM Site
Selection Clients



INGRAM MICRO



SITEL

TeleTech

TELUS

Transcom
Relationships Revenue Results



Project Leasing

We also advise and support landlords, building owners and real estate developers. Our leasing experts create and implement strategies for finding the right tenant mix and ensure maximum occupancy in a timely manner. Our real estate brokers have managed to lease more than thirty office buildings in Metro Manila on behalf of developers.

Currently marketing **40 projects**
Total of 875,070 sqm

BGC. Citibank Plaza. Ecoprime. Menarco Tower. Net Park. Milestone at Fifth Avenue. Orē Central. The Curve. Twenty-five Seven McKinley. W CityCenter. W Fifth Avenue. W Global Center. W Office at High Street. High Street South Corporate Plaza I. One Park Drive. The Finance Centre Retail. G.S.C Corporate Tower. Asian Century Center

QUEZON CITY. Hexagon Corporate Center. One Luna Global Connections. Panorama Technocenter. The SkySuites Towers. Jackman Plaza I.T. Center

ALABANG. Asian Star Building. One Griffinstone Building

MAKATI CITY. Frabelle Corporate Plaza. Liberty Plaza. M1 Tower. MJ Corporate Plaza. Nex Tower.

ORTIGAS. St. Francis Square. Ortigas Technopoint Two

BAY AREA. DoubleDragon Plaza. Nexgen Tower.

CAVITE. Suntech iPark. CBC Asia Technozone

CEBU. Latitude Corporate Center. Mabuhay Tower.

**Looking to exclusively handle more project leasing appointments
across the Philippines in 2018**

Investment Sales

Notable deals closed in 2016 and 2017 include:

- ✓ **Prime commercial lot sale in Bonifacio Global City**
- ✓ **Office floor sale in Grade AAA building along Ayala Avenue, Makati**
- ✓ **Prime residential apartment building sale in Salcedo Village, Makati**
- ✓ **Share sale for residential apartment company in Kalayaan Avenue, Makati**
- ✓ **Sales of office floors in Filinvest City**
- ✓ **Industrial Land sale in Southern Luzon**
- ✓ **Long-term warehouse lease for a large logistics company**

Research and Consultancy

Our research and consultancy arm allows us to offer to clients a full suite of consulting services that include **business planning, highest and best use studies, market research, project conceptualization, and project feasibility.**

Completed Projects – Highest and Best Use Study

**Project Cost of
PhP 80.9 billion
or USD 1.6 billion**

USD to PHP \$1 :50 PHP

Central Business District:

Taguig and Muntinlupa

Mixed Use developments:

Lakewood, Cabanatuan

Batulao, Batangas

Hacienda Looc, Batangas

Pueblo de Panay, Roxas City

Business Park, Dumaguete City

Matina, Davao City

West Palawan, Puerto Princesa



CBRE Group, Inc. Announces Strategic Alliance in the Philippines with Leechiu Property Consultants

Los Angeles, October 27, 2016 – CBRE Group, Inc. announced it has formed a strategic alliance in the Philippines with Leechiu Property Consultants to provide leasing, capital markets and consulting services.

Leechiu, based in Makati City, Metro Manila, is one of the leading real estate services firms in the Philippines, with deep experience and strong relationships throughout the country. Leechiu operates in all key Philippine markets and has arranged more than 2 million sq. m. (21.5 million sq. ft.) of office leasing transactions and more than P100 billion (US\$2.1 billion) of investment sales transactions.

Leechiu is led by David Leechiu, chief executive officer, who is regarded as one of the top real estate consultants in the Philippines.

CBRE also continues to operate a strong, wholly-owned business in the Philippines which provides facilities and project management services for its occupier clients in that country.

"We believe that our new strategic alliance – in combination with our existing facilities and project management capabilities – gives us the strongest offering to meet our clients' needs in the Philippines as well as across Southeast Asia," said Steve Swerdlow, chief executive officer of CBRE's Asia Pacific region.

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Neither CBRE nor its affiliated companies make any warranties or claims on the implied accuracy of the information contained herein.

Our Insights. Your Success.

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2. The information does not form part of any offer or contract and is intended as a guide only
3. You should not rely on any material contained in this Leasing Material but should make independent investigations to satisfy yourselves as to the correctness and relevance of any statements or representations, and consult with legal, financial and tax advisers where appropriate.
4. All calculations including, but not limited to dimensions, area and rent, contained in the Leasing Material are based on figures provided to the client by outside sources and have not been independently verified by LPC and therefore may not be correct, complete, or relevant
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