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Prospects bright for real estate sector

DESPITE high prices, the threat of earthquakes and heavy traffic, Metro Manila remains an investor favorite, property industry players yesterday said.

At the Asia CEO Forum at the Dusit Thani Hotel in Makati, Net Group President Charlie Rufino brought up the Emerging Trends in Real Estate Report 2014, where Manila ranked fourth among 23 Asia-Pacific markets.

This was mainly due to the country's young demographic, growing economy, large numbers of expatriates from multinationals and prime office yields -- the highest in Asia, averaging about 10%.

Sheila Lobien, director and head of project leasing of Jones Lang LaSalle, said that despite complaints from clients about heavy traffic and congestion, multinationals, especially in the outsourcing sector, still choose to establish offices here because the Philippines has a large talent pool.

Ms. Lobien also allayed concerns of a possible sudden spike in rental prices, particularly in central business districts like Makati and Ortigas, saying these are actually growing at a steady 5% annually.

First Metro Investments Corp. President Roberto Juanchito T. Dispo also said that regardless of who the next Philippine president will be, reforms are expected to continue because these are "irreversible."

"Standard and Poor's released a report, and the gist of that report is that the reforms will continue beyond 2016," Mr. Dispo said.

He also noted that there were more opportunities now for real estate investments as the Philippines was expecting a boom in tourism in the next few years.

In terms of challenges, Mr. Rufino said that according to the Japan International Cooperation Agency study, "earthquakes are the greatest hazard to the business continuity in the Metro Manila region."

He added that the Philippines was "significantly underinvesting" in physical infrastructure, and noted that the country needed an efficient mass transportation system.

"More roads is not the solution because it is not sustainable ... More roads only means more cars, more pollution," he said.

Architect Felino "Jun" A. Palafox, Jr. noted that only 2% of Filipinos own a car, "yet our transportation system favors automobiles."

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