

The Manila Times

Home	News	Opinion	Regions	World	Sports	Business	Special Reports	The Sunday Times Magazine
Fast Times	Tech Times	Life & Times	Show Times	Expats & Diplomats	Hi! Society	Health	Supplements	

Tue, Jun 24, 2014, 6:38 PM PHT Like **Bob Hecks, JR Estallo** and 128,089 others like FOLLOW US:

Manila offers cheapest office sites in Asia Pacific – JLL

April 29, 2014 9:41 pm

by **Rosalie C. Periabras** Reporter

Like Tweet

Manila is the “cheapest” place to set up an office in Asia Pacific or anywhere in the world.

“The Philippines is one of the cheapest markets in the region, maybe in the world, and that’s not because demand is slow. The demand is very high. It’s just that the supply is also meeting the demand so much,” said David Leechiu, country head and international director of Jones Lang LaSalle Philippines Inc. (JLL).

“The reason why, for example, Hong Kong, Singapore is so expensive [is] because everyone wants to go there, but there is not enough supply,” he told the Asia CEO Forum held in Makati City on Tuesday.

According to JLL data on office rents in Asia for the first quarter of 2014, Manila has one of the lowest rates at \$20 per square foot (psf) per annum, followed by New Delhi at \$35; Sydney at \$35; Seoul at \$50; Tokyo at \$70; Shanghai at \$75; Singapore at \$85; and Hong Kong at \$135.

But the company said retail rents are growing.

Meanwhile, JLL said office rental growth varied across Asia Pacific in the first quarter compared to year-ago levels, with Jakarta recording growth of 18 percent; Singapore, 12 percent; Manila, 5 percent; Tokyo, 5 percent; Shanghai, 4 percent; Hong Kong, 1 percent; Mumbai, 1 percent; and Sydney, minus 2 percent.

“So Manila for now is still cheap because the supply is strong, just like the demand is strong, right? But I think that could change. I think for 2017, most of Bonifacio [Global City] would be fully developed. There is no more land in Makati, there would be very few property [projects] in Ortigas, very few properties in Quezon City, and Mall of Asia would be pretty well developed, so in 2017 there would be very few districts to develop,” Leechiu said.

JLL said capital value for office rentals are expected to grow by 10 to 20 percent for Manila and Tokyo, 5 percent to 10 percent for Singapore, and zero to 5 percent for Shanghai, Hong Kong and Mumbai.

The company also said that as of 2012, total space committed was 482,000 square meters, with 365,000 square meters of this amount for office space lease. Of this figure, 29 percent is from Bonifacio Global City; 19 percent from Makati, 16 percent from Manila; 16 percent from Pasig and Pioneer in Mandaluyong; 16 percent from Quezon City; and 6 percent from Alabang.

It said total space committed as of end-2013 was 470,750 square meters, of which 185,520 square meters was for lease of office space.

Earlier reports quoted KMC MAG Group managing director Michael McCullough as saying that the Philippines is still the “cheapest” place to set up a company anywhere in the world. He said setting up a company in the country would cost only \$45,464 a year, including \$12,500 for a software developer, \$10,800 for a graphic designer and \$9,984 for office space.

According to KMC MAG Group, the most expensive places for relocating a business




The Manila Times
Like

128,091 people like The Manila Times.



Facebook social plugin

Sports



UFLphilippines
@UFLphilippines

48' Gempisaw (Army) wins a free kick in the defe
6m

[Crowdynews](#)

Columnists

- 

Killing the coconut industry to save it?
Ben D. Kriz
- 

Things fall apart
Real Carpio So
MANAGING FOR SOCIETY
- 

SMC's Zobel, R. Ang get 'poorer' by P81B in one year
EMETERIO S.D. PEREZ
DUE DILIGENCER
- 

Span of control: The simpler it looks, the more problems it hides
REYLITO A.H. ELBO
BEYOND THE BUZZWORDS

operation are London, San Francisco, Mumbai, Paris, New York, Moscow, Shanghai, Tokyo, Singapore, Hong Kong and Sydney.

In October last year, KMC MAG Group said the country was still the best value city to do business in largely because of the relatively low real estate costs.

The company has seen continuously low vacancy rates because of a strong take-up rate within central business districts (CBDs).

“And so I think you’re going to see a falling of supply in the core business districts like Makati, Bonifacio, and Mall of Asia,” Leechui said.

“Maybe it will become expensive at that time—FTI [Food Terminal Inc.], a bit of Mall of Asia in the Bay area. I think the new projects of Ayala in the North and all these SM properties all around the Philippines would become very valuable assets, because they’ll be the only options because Makati and Bonifacio will be taken out of the equation,” he added.

Asia CEO Forum president Rebecca Bustamante concluded: “It’s about time for us to make the Philippines the business hub in Asia. Together we can make it happen.”

Share this:



Back to business as usual on electric rates
Ben D. Kriz

At a Glance

AEV AFFILIATE BUYS 70% OF VIETNAMESE AQUA FIRM

SM PRIME OPENS FIRST MALL IN CAGAYAN VALLEY

BCDA GETS SUPPORT FROM WB TO CREATE A DISASTER-RESILIENT CLARK GREEN CITY

FPI: PSI ON CARGOES OK, BUT GOVT SHOULD SHOULDER COST

PCCI OPENS TRADE OPPORTUNITIES WITH NEW ZEALAND FIRMS

Strong peso to curb inflation–BSP

BSP MONITORS FINANCIAL SYSTEM PRESSURE POINTS

ALI GROWS Q1 INCOME BY 25%

FORD PH APRIL CAR SALES UP 60% YR-ON-YR

ASEAN TRADE PROSPECTS HIGHLIGHTED AT APCAC SPRING SUMMIT

News



Medical Action Group
@medactiongroup



@TheManilaTimes MEDIA ADVISORY forum
@EUinthePH #EndTorture in the PH June 26
InterContinental Hotel MakatiCity 12nn
pic.twitter.com/gRsC7OoA2h



Crowdynews

Full Screen

Contact Info



Address: 2/F Sitio Grande Building
409 A. Soriano Avenue, Intramuros
Manila 1020 Philippines
Tel. : +63 (02) 524 5664 up to 67
Fax: +63 (02) 528-1729
Email: newsdesk@manilatimes.net
opinion@manilatimes.net