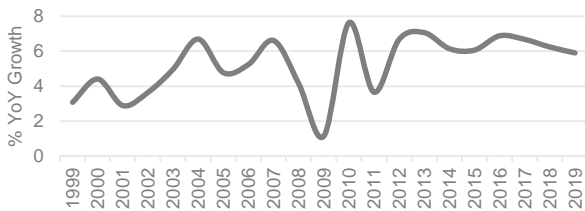




GENERAL PROPERTY

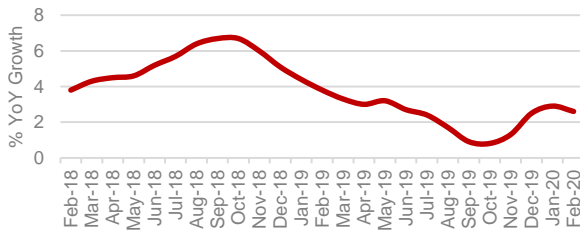
5.9% YoY

2019 Annual Real GDP



2.6% YoY

Feb 2020 Headline Inflation



Source: Philippine Statistics Authority

□ The on-going community lockdown to mitigate the continuous spread of COVID-19 in Metro Manila is forecasted to adversely affect the general economy. The immediate impact will be largely felt by the hospitality sub-sector wherein room rates are being cut to as much as 50% amidst plummet in occupancy rates to as low as 30% due to declining tourist arrivals (even prior to the forced lockdown). The largest mall operators have waived current monthly rental fees in view of the shopping mall closures. Meanwhile, the residential sub-sector is expected to weather this market disruption, as investments were merely deferred and not totally abandoned coupled with the ballooning essential demand for housing.

billion, rivaling Malaysia and Thailand. Companies that have recently announced their possibilities of issuing infrastructure REIT include Metro Pacific Tollways Corp. (MPTC) and Megawide Construction Corp. In addition, Torre Lorenzo Development Corp. (TLDC) is also planning to launch REIT through an IPO. Meanwhile, concerns over massive acquisitions of agricultural lands are being raised as REIT has now become more attractive to investors, resulting in further reduction in the country's cultivated land.

□ REIT strengthens the positive sentiments encircling the real estate industry. With more companies now considering to tap the financial instrument as an avenue of raising investment funds, the Philippines' REIT market is expected to reach a market capitalization of USD 7-11

□ Cebu Landmasters Inc.(CLI), announced its massive strategic land acquisition and expansion plans in the areas of Cebu, Bohol, Bacolod, Cagayan de Oro, Davao, Puerto Princesa, Leyte, Butuan, and General Santos City to be funded by the PHP 8 billion raised from issuing corporate notes. The generated fund will also back the company's development of a 22-hectare central business hub in Matina, Davao del Sur.

OFFICE

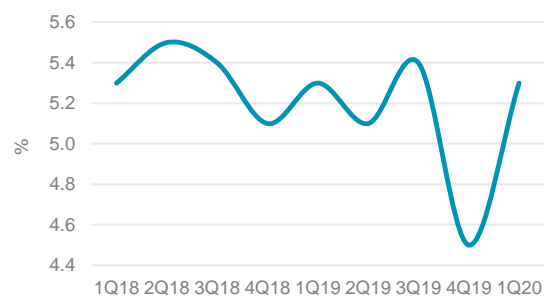
□ The office sub-sector is confronted with a possibility of dampening demand. The Philippine offshore gaming operations (POGO) firms, one of the top drivers of office take-up in the last two years, are forecasted to significantly slow down due to the following factors: (1) the Philippine government's restrictions on new applications and actions taken to suppress the

rise of criminal activities linked to the industry; (2) the Chinese government's crackdown on illegal POGO employees; and (3) the on-going travel ban arising from COVID-19. pandemic disease. Nonetheless, resilient demand is expected for IT-BPM firms due to in-place business continuity plan and the growing preference for flexible workspaces by large corporations.



5.3%

1Q 2020 Unemployment Rate



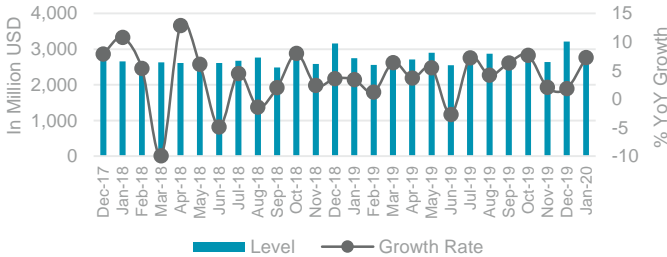
Source: Philippine Statistics Authority



RESIDENTIAL

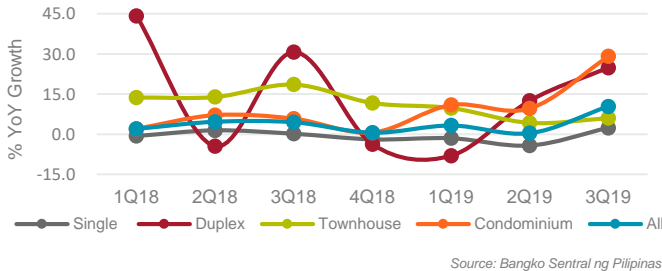
▼ USD 2.94B

Jan 2020 OF Personal Remittances



▲ 10.4% YoY

3Q 2019 Residential Real Estate Price Index (Q1 2014 = 100)



Source: Bangko Sentral ng Pilipinas

- The residential market continues to expand in other growth areas outside Metro Manila. Cebu Landmasters, Inc. is setting out the construction of a 204-unit townhouse and single-detached development that will carry the Velmiro brand in Dauis, Bohol, set for completion in 2023. Megaworld Corporation's Pearl Global Residences located in The Mactan Newton township will add 1,836 units the supply of condominiums in Lapu-Lapu City, Cebu. In Davao City will also rise Legacy Leisure Residences, a four-building condominium within a 2.8-hectare complex. The project developer of Legacy Leisure Residences, Crison Holiday Builders, Inc., is a joint venture between two local business families, Bangayan and Yap families. Moreover, Filigree is also bringing its upscale real estate brand in Clark, Pampanga. Carrying the name Golf Ridge Private Estate, it will rise in the Leisure City of Filinvest Mimosa.
- Meanwhile in Metro Manila, Brixton Place, a two-tower residential condominium project in Pasig City by DMCI Project Developers, Inc., is on track for completion by May 2022 with 20% already completed as of March. The developer also announced the completion of the last building of Alea Residences, its first vertical development in Bacoor City, Cavite. Budi, the last building, was completed last February.
- The aftermath of COVID-19 pandemic, which has delayed the purchase activities in residential market, is seen to influence developers to offer more flexible packages and payment terms to entice buyers. Nonetheless, demand is expected to be buoyed in the medium-term with the completion of various infrastructure developments and the increase in the number of middle to high-income families.

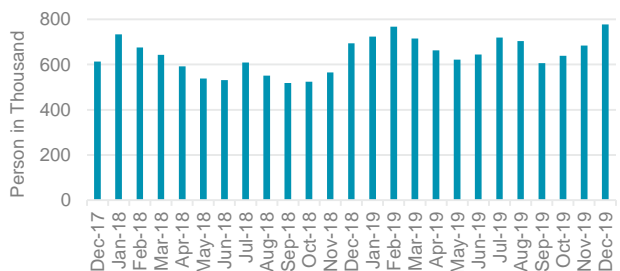
HOSPITALITY

- Suntrust Home Developers, Inc. has signed in February a lease agreement with Westside City Resorts World, Inc. and Travellers International Hotel Group, Inc. The lease agreement of until August 2039, renewable for another 25 years, covers for three parcels of land in Manila Bayshore Integrated City. It has given Suntrust the right to use the site as built area for the Main Hotel Casino which will complement Megaworld's 31-hectare Westside City.
- In addition to its shopping mall and office building components, the 5.9-hectare Felcris Centrale complex by local developer Felcris Hotels and Resorts Corp. will soon have a hotel and convention center. The development will add to the total supply of hotel rooms in Davao City upon the completion of its 280 guest rooms by April 2022.



▲ 776,798 Person

Dec 2019 Foreign Visitor Arrivals



Source: Department of Tourism



-1.64% YoY

Jan 2020 Volume of Production Index



Source: Philippine Statistics Authority

INDUSTRIAL/LOGISTICS

- With the goal of promoting economic progress in the periphery areas of Baguio City, a 10-hectare property in the small town of Sablan is being considered to be developed into a BLISTT (Baguio-La Trinidad-Ilogon-Sablan-Tuba-Tublay) zone. While the owner of the site in Sablan has already expressed the interest in converting the site to an information technology (IT) economic zone, another site in the town of Tublay has also been identified for development. These undertakings are part of the BLISTT growth strategies to facilitate growth in the Province of Benguet.
- Chelsea Logistics and Infrastructure Holdings Corp. sees no direct impact on its tankering and cargo transport segments amidst the COVID-19 situation. The company cited opportunities in increased logistics services demand, particularly in specialized and efficient delivery services of fast-moving consumer goods and medical supplies in the Philippines. Meanwhile, port operators International Container Terminal Services, Inc. (ICTSI) and Asia Terminals, Inc. (ATI) continue their business operations under preventive measures against the spread of the pandemic.
- After Honda Cars Philippines, Inc. (HCPI) announced the closure of its plant in the Province of Laguna, located south of Metro Manila, an existing local player has reportedly expressed the interest in taking over the Honda facility.

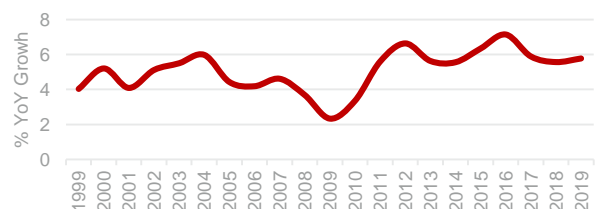
RETAIL

- The House of Representatives has passed on third and final reading, the bill which seeks amendments to the Retail Trade Liberation Act 2000. House Bill 59 intends to further ease retail trade requirements for foreigners by trimming down the required paid-up capital from USD 2.5 million to USD 200,000. The bill also eliminates the required net worth, number of branches, and track record conditions for foreign retailers; eradicates the requirement for foreign investors to acquire shares of stock of local retailers; and reduces the required locally manufactured products carried by foreign retailers, from 30% to 10% of the aggregate cost of their stock inventory.
- The highly anticipated opening of IKEA, the world's largest furniture retailer, has been moved to 2021 from the initial announced opening by end-2020. IKEA's flagship store in the Philippines will also be its largest in the world, occupying 157,000 sq.m of GFA in Mall of Asia Complex, in SM Bay City, Pasay City.



5.8% YoY

2019 Real Annual Household Spending



Source: Philippine Statistics Authority

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