



1Q MEDIA BRIEFING

MAKING SENSE OF IT ALL

April 02, 2020

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2. Office Sector

- Demand
- Supply
- 2020 Forecast

3. IT - Business Process Outsourcing (IT-BPM/BPO) Industry

4. Philippine Offshore Gaming Operations (POGO) Industry

5. Real Estate Investment Trust (REITs)

6. Closing Remarks

A succession of external and internal risk events in 1Q 2020 have overshadowed the fantastic 2019 performance of the Philippine real estate sector:

Brexit

Tension in US – Iran relations

Oil price war – caused by Saudi Arabia and Russia’s feud on oil prices

Crackdown on the POGO sector

Review of government-private sector contracts

Taal Volcano eruption

Dent in US-PH relations regarding Visiting Forces Agreement (VFA)

COVID-19 pandemic and the economic destruction brought by travel bans and lockdowns

Threats of global recession and turbulence in the stock markets

Despite the potential threats from these risks, **Leechiu Property Consultants (LPC)** believes that this can serve as a unique opportunity for the Philippines in terms of:

9 Infrastructure projects are on track for completion within the next 18 months which will accelerate economic productivity and development

Resilient demand from the IT-BPM industry as multinational corporations aggressively cut costs and increase production in a climate of falling revenues

Strong **come back of the POGO sector** once travel bans are lifted; with growth coming from all over Asia

Liberalization of foreign ownership of more industries

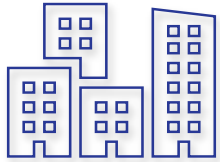
Multinational corporations to diversify out of China, and setting up disaster recovery centers in the Philippines servicing the Chinese market – as POGO sector has demonstrated to the world that the Philippines can attract Chinese labor at a significant scale

“Infinite” levels of **global fiscal stimulus** packages

The **Philippine REIT sector is well positioned for longevity and sustainability** due to 3 factors: (1) Philippines has one of the largest and most vibrant office and retail sectors in the world, (2) Philippines is one of the top 4 largest markets in the world in terms of office space demand and retail consumer activity, and (3) REIT stocks are one of the best defensive assets.

These factors will drive resurgence of demand for the Philippine Office and Residential Sectors once COVID-19 situation becomes clearer. Already, there are over **157,000 square meters of office space transactions recorded in 1Q 2020**, with **another 636,000 sqm of live deals to be transacted throughout the year**, of which a substantial amount **we expect to materialize by the start of 2H 2020**

OFFICE



- **Demand:** In the First Quarter of 2020, we recorded 157,000 square meters of office transactions, which is down by 47% YOY. There are 636,000 square meters of live requirements being transacted today, and we expect this demand to grow by another 25%. Many of these transactions are expected to close beginning 2H 2020. Based on what we know today, **we are optimistic the Philippines total demand to range between 800,000 square meters – 1,000,000 square meters this year.**
- **Supply:** With the Enhanced Community Quarantine, we expect delays in construction, therefore **we are reforecasting 2020 supply to be 842,000 square meters, down from 1.498 Million square meters (a reduction of around 44%).**
- **2020 Forecast:** Amidst initial concerns of an oversupply for 2020, **the pandemic will flatten the supply curve, thereby offsetting the slowdown of office leasing transactions and avoiding a glut in office space. At the end of 2020, we expect the vacancy to be at manageable levels.** The IT-BPM and POGO industries are the essential catalysts to sustain this equilibrium.



Office Demand

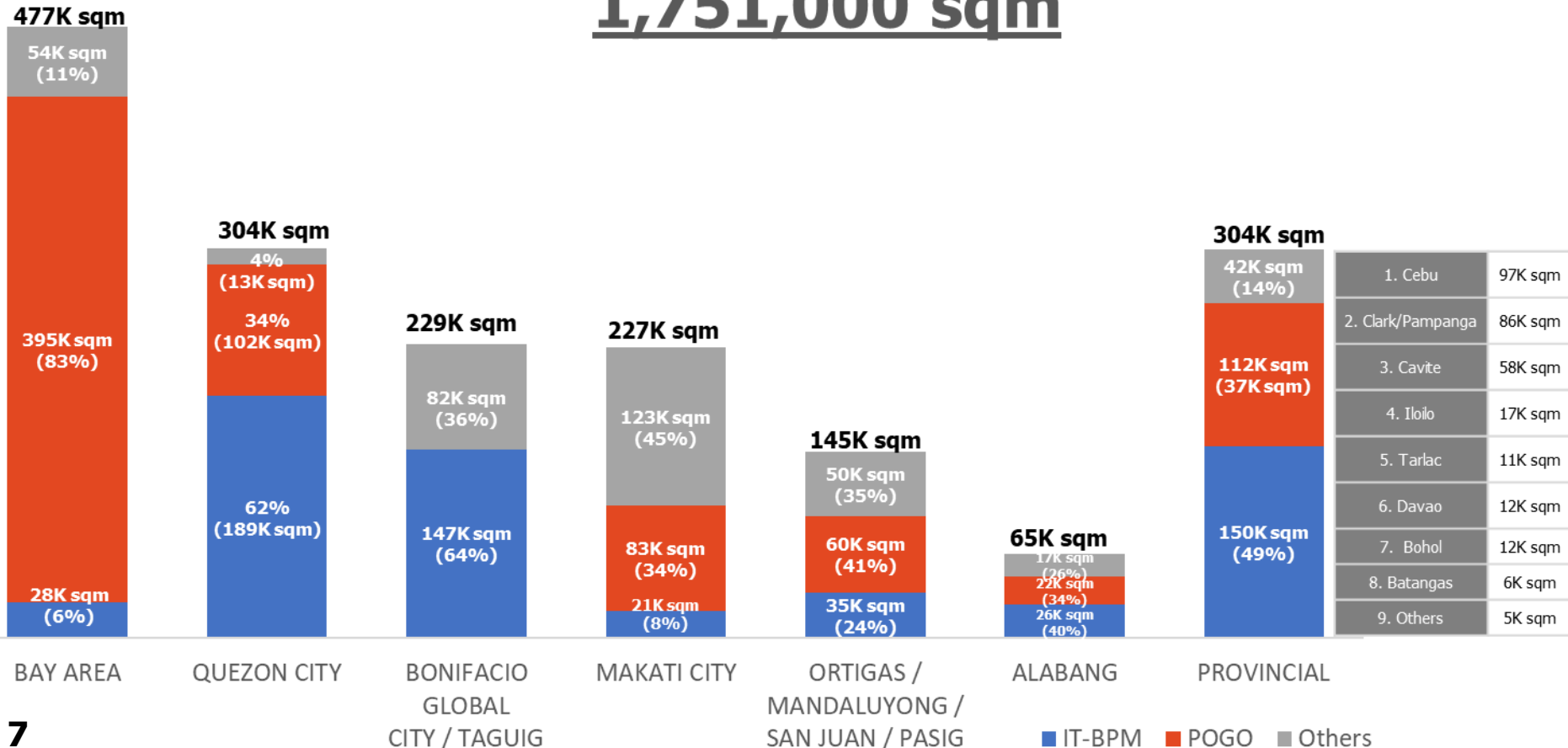
Philippine Office Demand

FY 2019 Per District

- **The Philippines** closed 2019 with **1.7M sqm** of office transactions. Metro Manila accounted for **1.4M sqm (83%)** and the **Provincial Districts** took the remaining **304K sqm (17%)**.
- **Bay Area absorbed 27%** of Metro Manila's transactions. This demand is primarily driven by the **POGO** sector.

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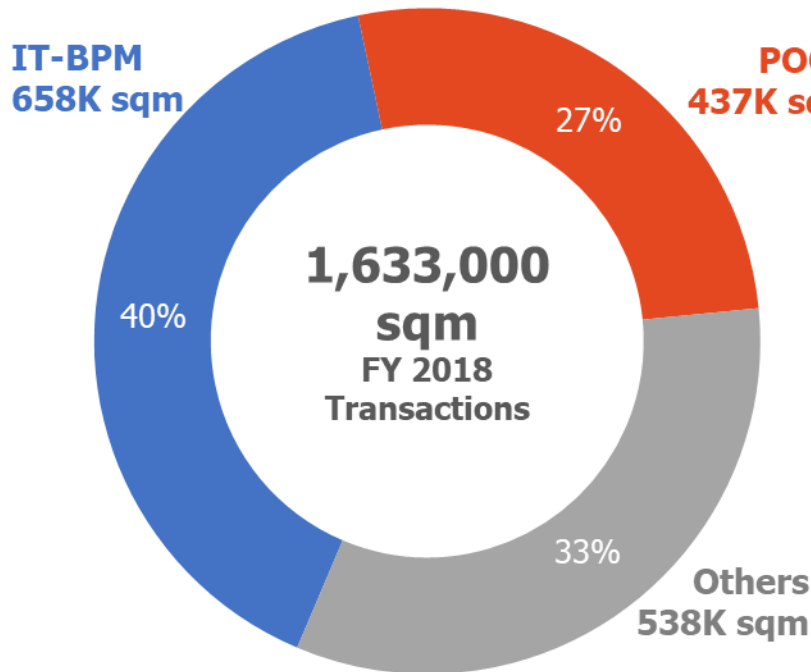
2019 Office Transactions 1,751,000 sqm



Demand Driver Comparison

The Philippines | FY 2018 vs. FY 2019

- From **2018 to 2019** Philippine's overall demand **grew 9% YOY**
- Metro Manila's demand **grew 14% YOY** amounting to 1.4M in 2019.
- **POGOs** have grown to become the leading demand driver of office space – growing by **11 times** in just **4 years**.



Metro Manila	1.2M sqm (75%)
Provincial	427K sqm (25%)
TOTAL	1.6M sqm

Metro Manila	1.4M sqm (82%)
Provincial	304K sqm (18%)
TOTAL	1.75M sqm

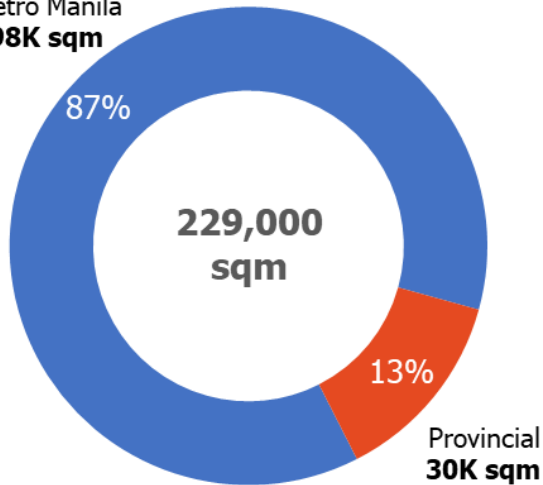
Demand Driver Comparison

By District, Year-on-Year Comparison

- Philippine demand is down **-47% (157K sqm)** YOY for 1Q 2020
- Majority of Metro Manila demand for 1Q 2020 is in **Quezon City at 36K sqm (33%)**.
- Demand in provincial districts is off to a strong start **with Clark and Iloilo taking the lead at 22K and 17K, respectively**. The demand in Iloilo is driven availability of PEZA spaces in SM and Megaworld developments.

1Q 2018

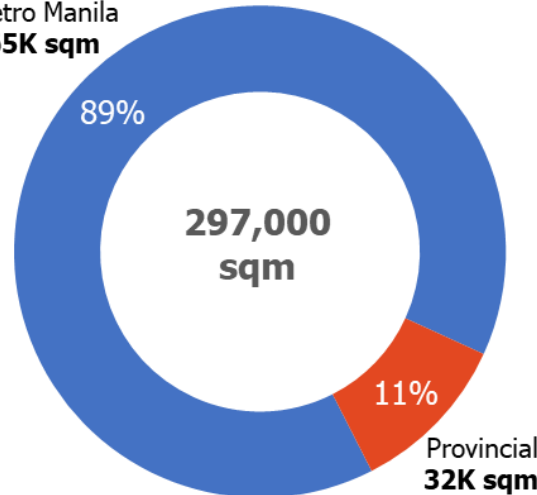
Metro Manila
198K sqm



Metro Manila		Provincial	
Alabang	58K sqm	Cebu	21K sqm
Ortigas/ Mandaluyong/ Pasig	44K sqm		
Bay Area	32K sqm		
Bonifacio Global City/ Taguig City	28K sqm	Iloilo	9K sqm
Quezon City	28K sqm		
Makati City	9K sqm		
Total	198K sqm	Total	30K sqm

1Q 2019

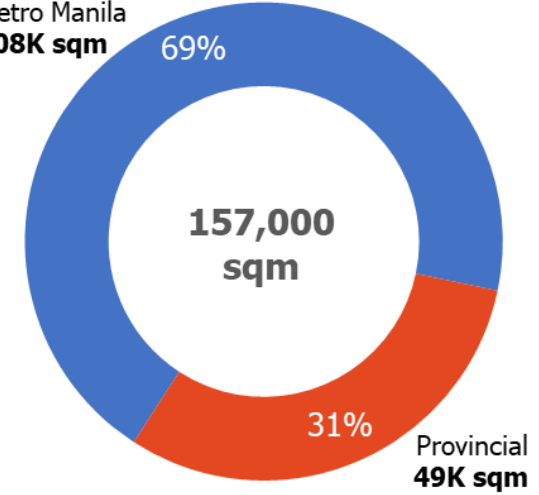
Metro Manila
265K sqm



Metro Manila		Provincial	
Quezon City	84K sqm	Clark/ Pampanga	13K sqm
Bay Area	57K sqm	Cebu	8K sqm
Ortigas/ Mandaluyong/ Pasig	46K sqm		
Bonifacio Global City/ Taguig City	35K sqm	Davao	6K sqm
Makati City	26K sqm	Tarlac	5K sqm
Alabang	16K sqm		
Total	265K sqm	Total	32K sqm

1Q 2020

Metro Manila
108K sqm

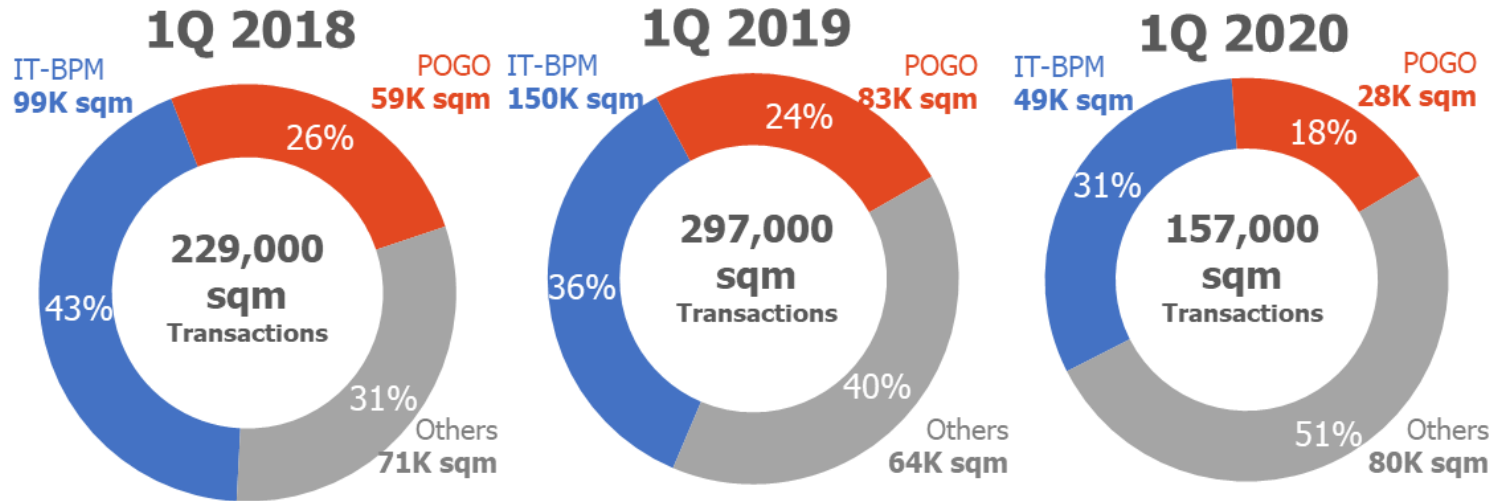


Metro Manila		Provincial	
Quezon City	36K sqm	Clark/ Pampanga	22K sqm
Ortigas/ Mandaluyong/ Pasig	33K sqm	Iloilo	17K sqm
Makati City	25K sqm	Cebu	6K sqm
Bonifacio Global City/ Taguig City	8K sqm		
Alabang	5K sqm	Cavite	4K sqm
Bay Area	1K sqm		
Total	108K sqm	Total	49K sqm

Demand Driver Comparison

By Industry, Year-on-Year Comparison

- Majority of the 1Q 2020 demand remains to be in **Metro Manila with 108K sqm (69%) transactions.**
- Provincial transactions grew 53% YOY** with total demand of **49K sqm.**
- As early as 1Q 2020, we have observed at **636K sqm of live requirements nationwide.**

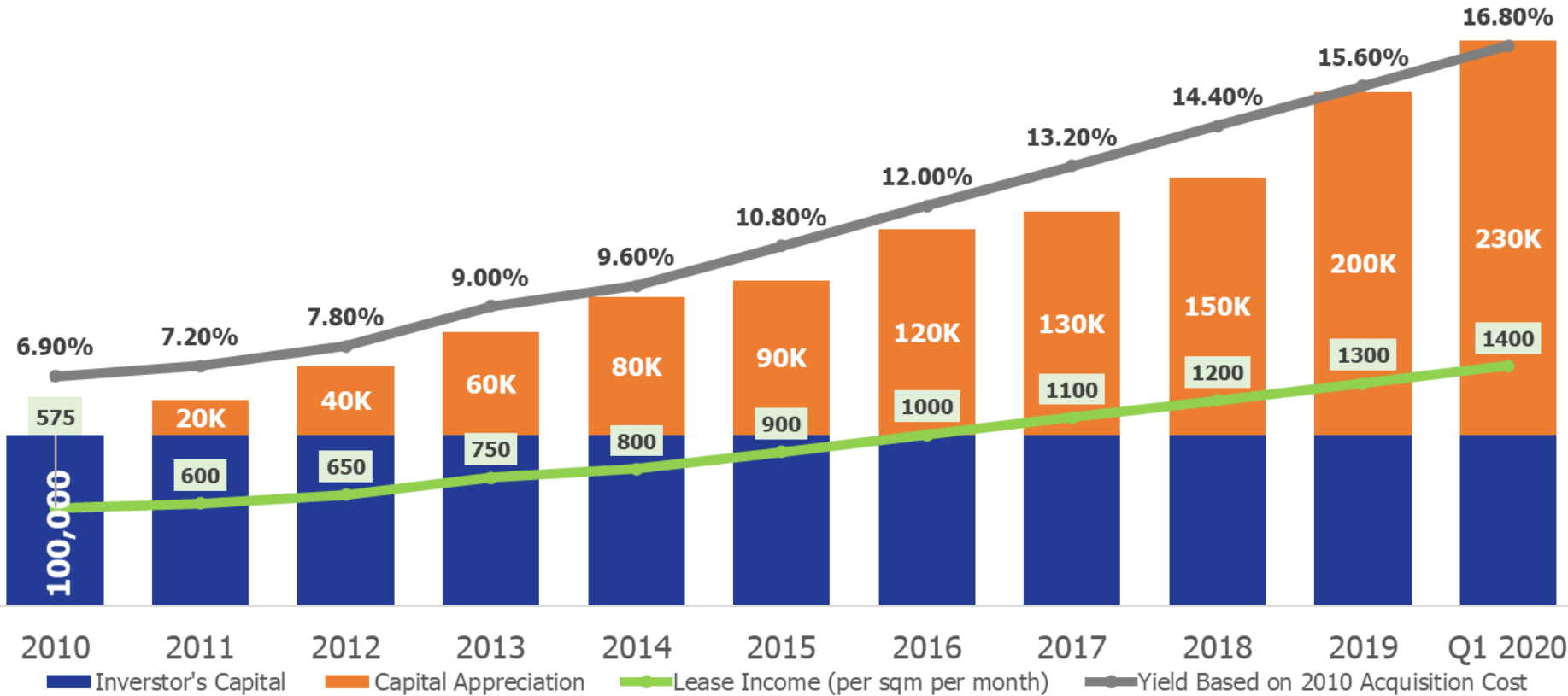


	1Q 2018	1Q 2019	1Q 2020
Metro Manila	198K sqm (87%)	265K sqm (89%) +34% YOY	108K sqm (69%) -59% YOY
Provincial	30K sqm (13%)	32K sqm (11%) +6% YOY	49K sqm (31%) +53% YOY
Total	229K sqm	297K sqm +30% YOY	157K sqm -47% YOY
Significant Events	<ul style="list-style-type: none"> Push for Federalism TRAIN 2 Law 	<ul style="list-style-type: none"> PEZA Moratorium POGO crackdown 	<ul style="list-style-type: none"> COVID-19 Pressure on POGO sector Taal Volcano Eruption

Land Values, Lease Rates and Effective Yield

BGC Case Study | Investors' Perspective if PhP100,000 was invested in 2010

- BGC office strata investors in 2010 has a current **16.8% yield on rental income** and a **230% increase in Capital Value** by 2020 based on 2010 acquisition cost. Capital Appreciation and Lease Income rates continuously rising as YOY change grew constantly.



YEAR	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Q1 2020
Total Yield (rental and capital appreciation)	6.90%	27.20%	27.80%	29.00%	29.60%	20.80%	42.00%	23.20%	34.40%	65.60%	46.80%
YOY % Change	-	0.30%	0.60%	1.20%	0.60%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%



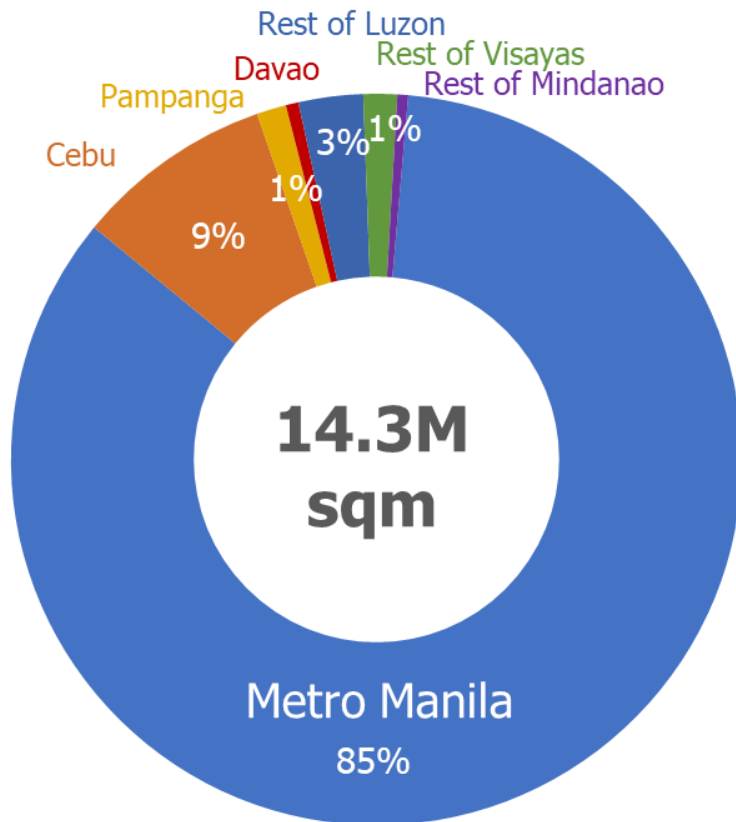
Office Supply

Current vs. Pipeline

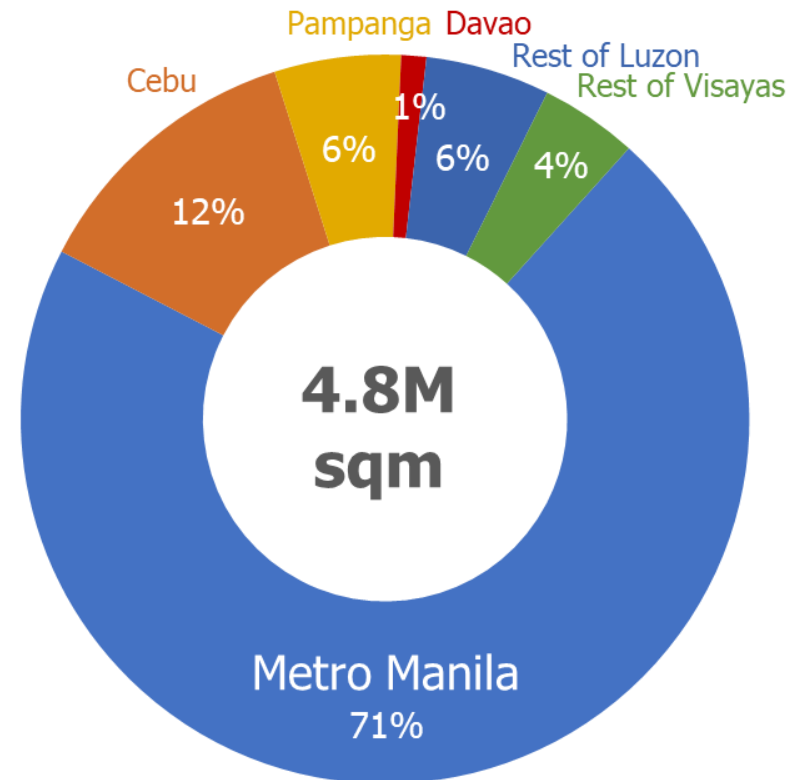
Philippine Office Supply | As of March 2020

- **Philippine office supply** will grow by **4.8M square meters (+34%)** in the next **5 years**. The unprecedented level of developments **outside Metro Manila** is expected to add **1.28M square meters** to its current supply of 2.32M square meters.
- This year, **Cebu** is back as the **largest producer** of office space outside of Metro Manila **adding 622K square meters** in the **next 5 years**.

CURRENT
(1960s-2019)



PIPELINE
(2020-2024E)



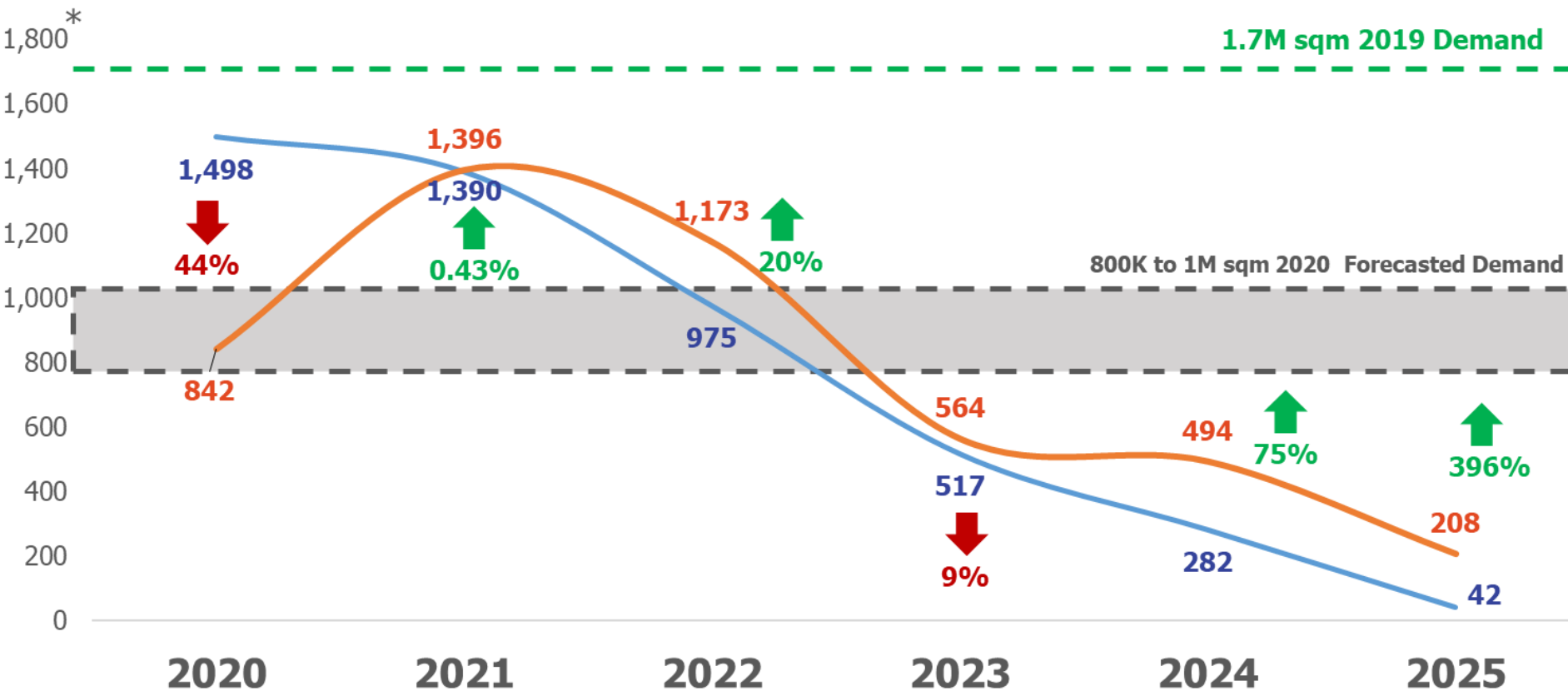
Metro Manila	11.98M sqm
Outside Metro Manila	2.32M sqm

Metro Manila	3.54M sqm
Outside Metro Manila	1.28M sqm

PH Pipeline Office Supply

Pre COVID-19 Supply vs Post COVID-19 Re-adjusted Supply

- **44%** or **440K sqm** of the country's **2020 office supply** is expected to be delayed due to the **Enhanced Community Quarantine**.
- The pandemic will **flatten the supply curve**, thereby **offsetting the slowdown of office leasing transactions** and avoiding a glut in office space. At the end of 2020, we expect the **vacancy to be at manageable levels**.



Legend: — Annual Supply Pre COVID-19 — Re-adjusted Annual Supply Post COVID-19

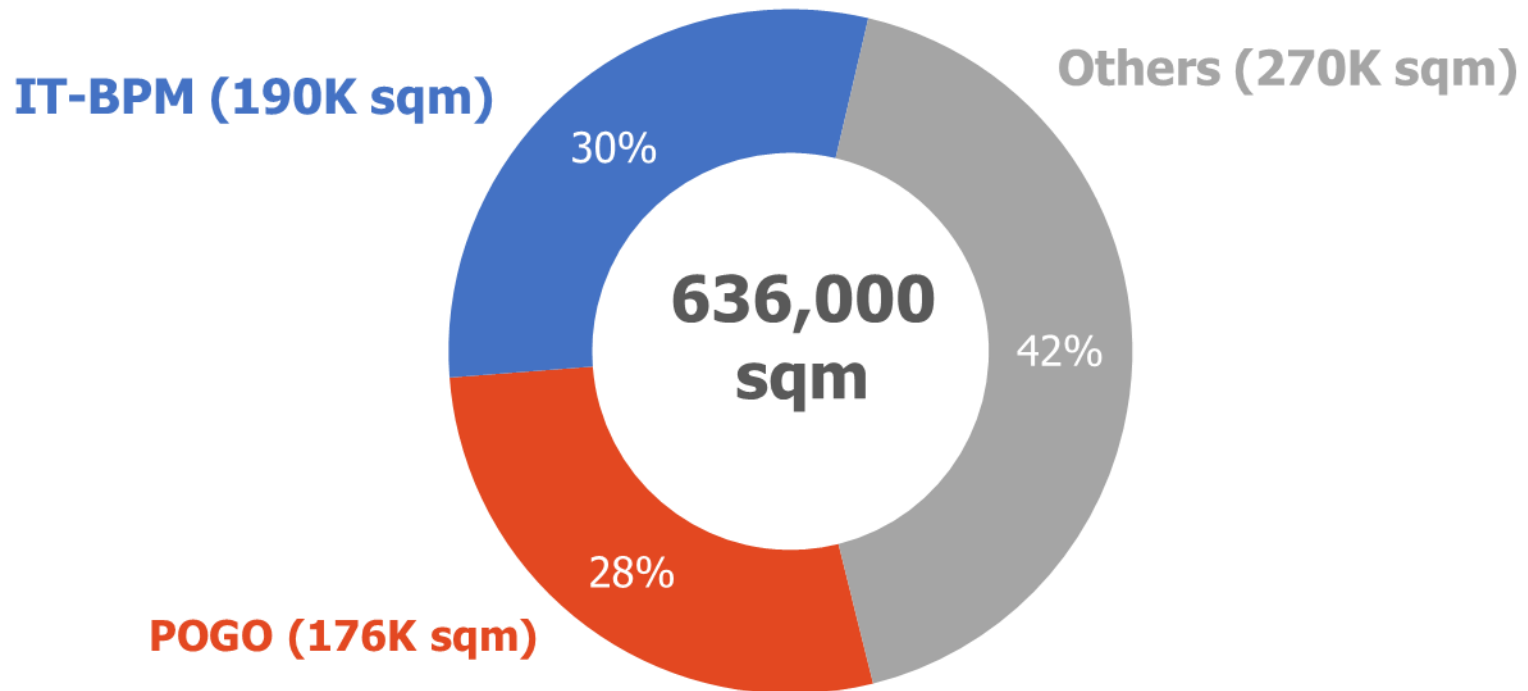
*Gross Leasable Area in thousands (sqm)



2020 Forecasts

- There are **636K sqm of live requirements** that will most likely conclude in 2H 2020.
- There is a sustained strong demand from the **IT-BPM sector of 190K sqm**.
- POGO's demand softened due to the COVID-19 travel ban, lockdown and POGO crackdown. **We expect their demand to recover in 2H 2020.**

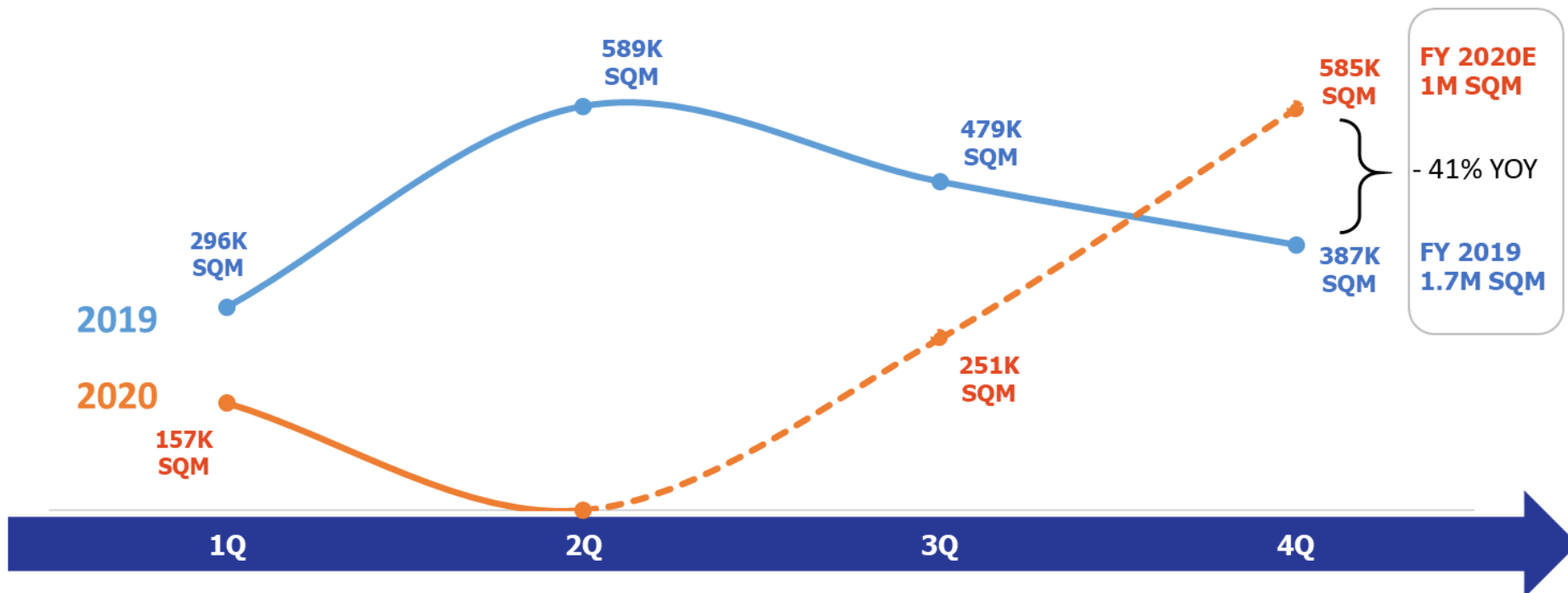
2020 Live Requirements



A Year in Transactions

Philippine Office Demand per Quarter | FY 2019 vs. 2020E

- We are seeing that **COVID-19** and the **Enhanced Community Quarantine** has affected all businesses, and that **office space transactions due for 2Q 2020 will be pushed back**.
- We expect resurgence of office space demand once COVID-19 situation stabilizes.





IT-BPM Industry

Metro Manila PEZA Vacancy

Current and Pipeline

- Of the **7.3M sqm** current PEZA supply, only **271K sqm (3.7%)** remain **vacant** across 77 buildings. **Only 10 of the 77 buildings have a vacancy of at least 5K sqm.** An additional 32K sqm of PEZA space is coming online. **The combined total is grossly low compared to even the most conservative demand for the IT-BPM sector.**
- We forecast a **drastic decrease in rental rates** in **Ortigas Center** due to the **high supply, lack of PEZA, and ban on POGOs.**

1960's to 2019

PEZA Certified	271K sqm
Under Application (with OP)	66K sqm
Under Application (w/o OP)	29K sqm

Total Vacancy
366K sqm

The Vacancy is spread across:
77 PEZA Certified Buildings
7 Under Application (with OP) Buildings
6 Under Application (w/o OP) Buildings

2020

PEZA Certified	32K sqm
Under Application (with OP)	26K sqm
Under Application (w/o OP)	66K sqm

Total Vacancy
124K sqm

2021

PEZA Certified	254K sqm
Under Application (with OP)	117K sqm
Under Application (w/o OP)	354K sqm

Total Vacancy
725K sqm

The Vacancy is spread across:
7 PEZA Certified Buildings
2 Under Application (with OP) Buildings
8 Under Application (w/o OP) Buildings

2022

PEZA Certified	230K sqm
Under Application (with OP)	0 sqm
Under Application (w/o OP)	227K sqm

Total Vacancy
457K sqm

The Vacancy is spread across:
8 PEZA Certified Buildings
5 Under Application (w/o OP) Buildings

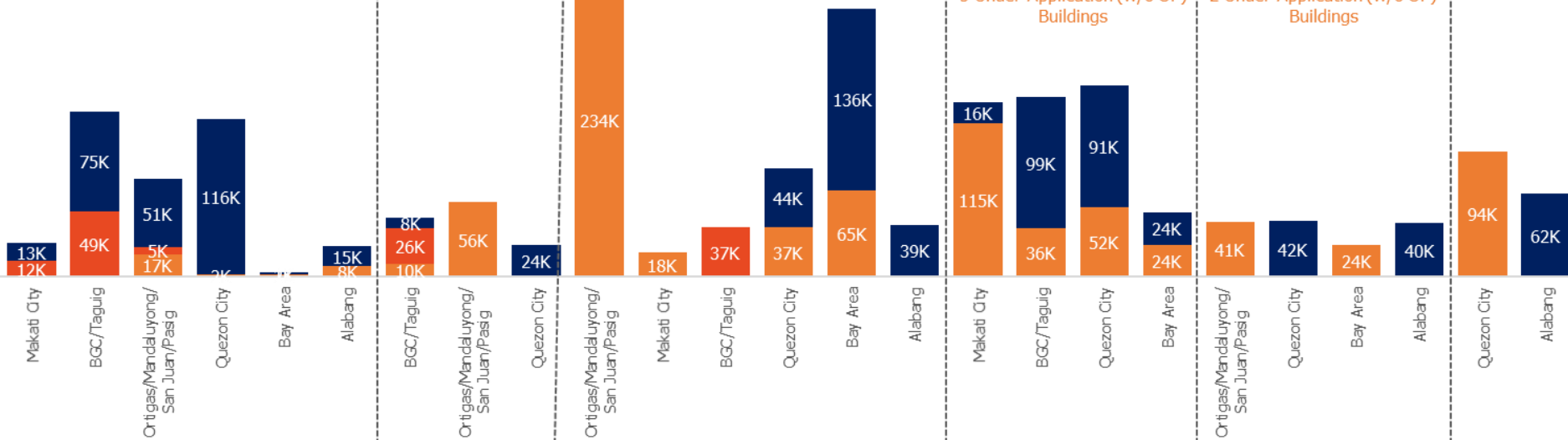
2023

PEZA Certified	82K sqm
Under Application (with OP)	0 sqm
Under Application (w/o OP)	65K sqm

Total Vacancy
147K sqm

The Vacancy is spread across:
2 PEZA Certified Buildings
2 Under Application (w/o OP) Buildings

2024



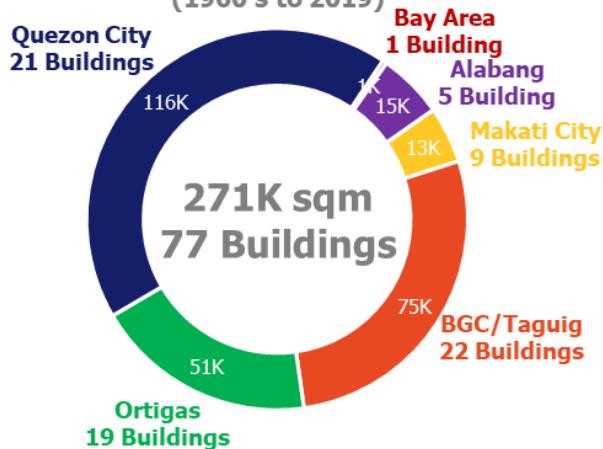
Legend: PEZA (Dark Blue), Under Application (with OP) (Red), Under Application (w/o OP) (Orange)

Metro Manila PEZA Vacancy

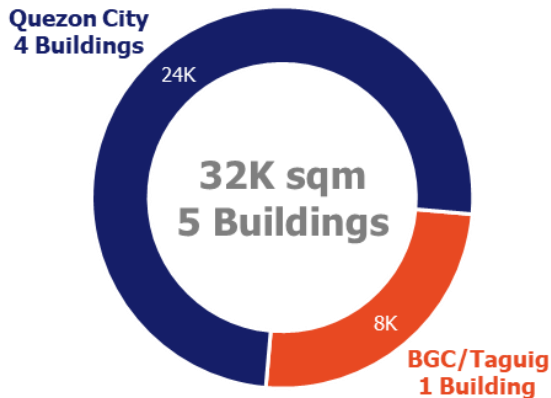
Building Breakdown

- Metro Manila is expected to receive another **660K sqm** of vacant PEZA space within the next 5 years. **Quezon City** and **BGC/Taguig** have the **biggest contribution** while **Ortigas** and the **Bay Area** have distinct **lack** of upcoming PEZA vacancies.

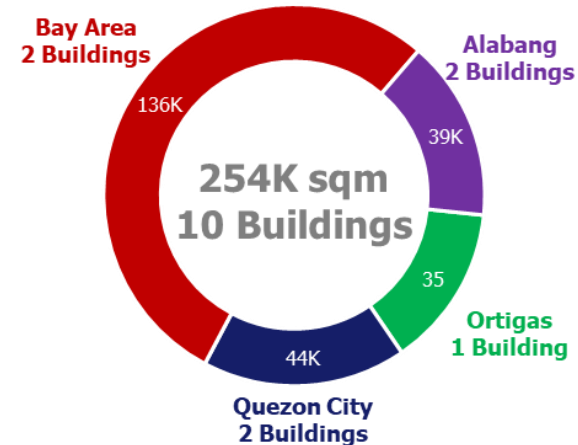
Current
(1960's to 2019)



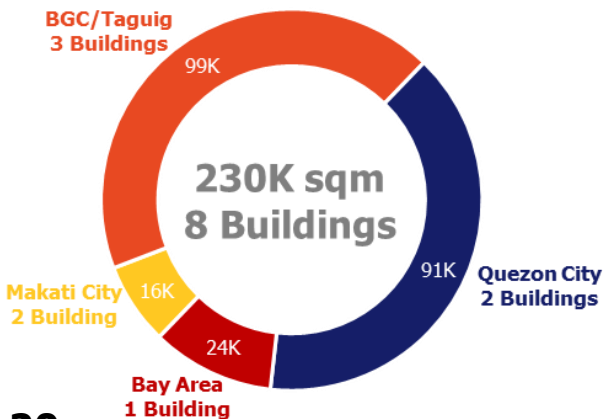
2020



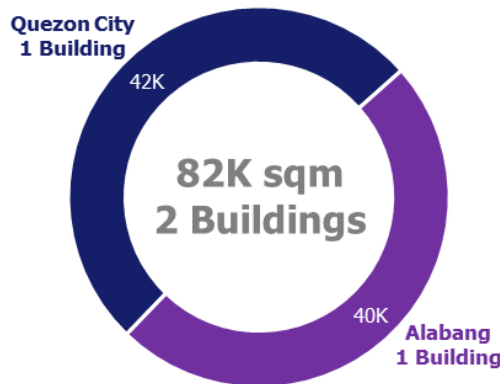
2021



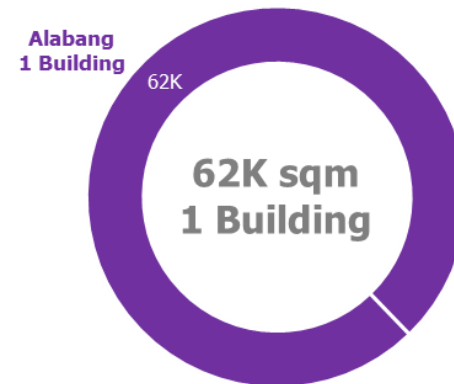
2022



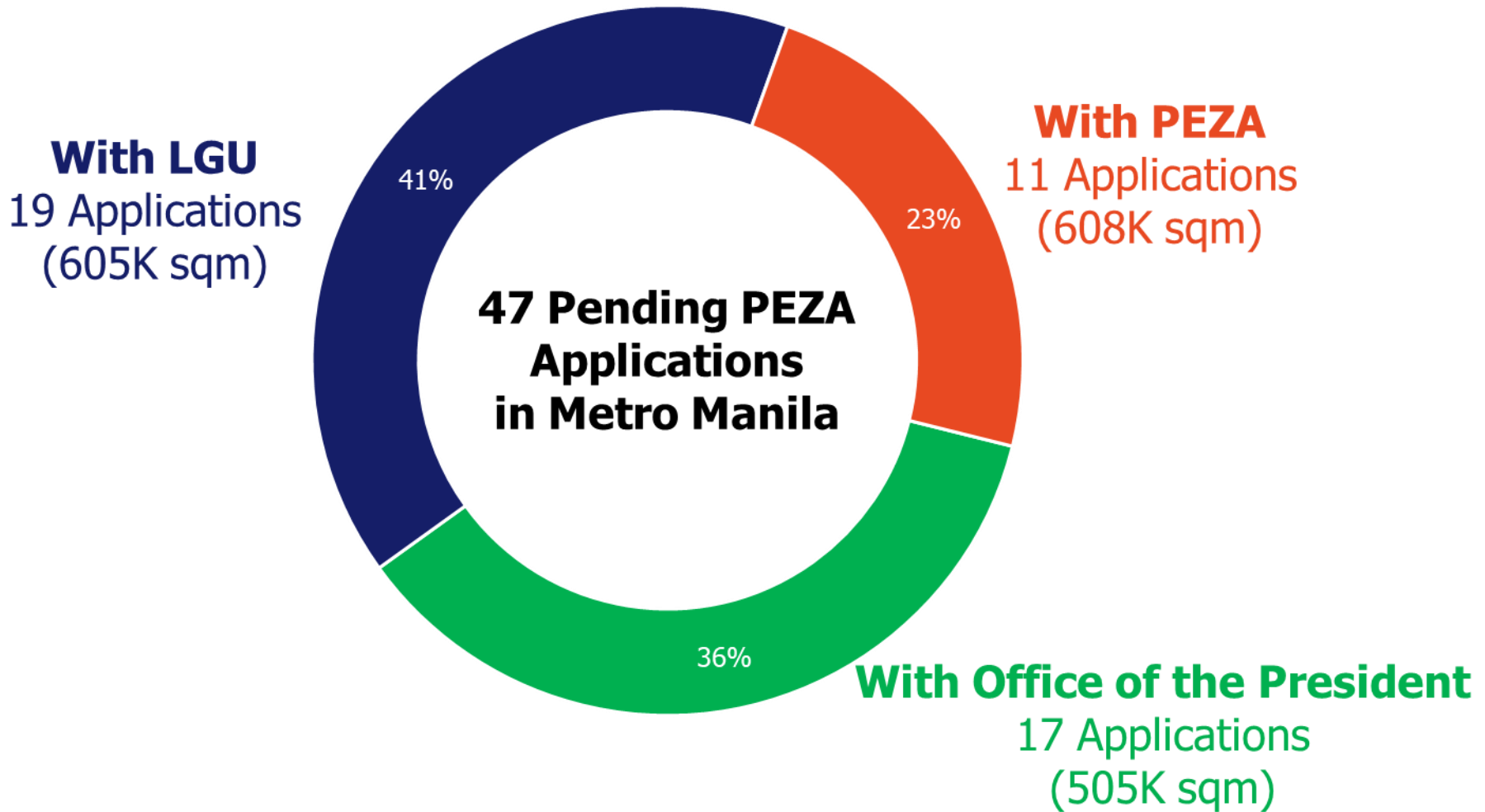
2023



2024



- There are currently a total of **47** pending PEZA applications. With AO18, only **17** of these applications will likely get PEZA accreditation.
- **11 buildings are pending with PEZA**, subject to lifting of Administrative Order 18.
- We highly encourage the LGU and the Office of the President to approve the pending PEZA applications.



Provincial PEZA Vacancy

Key Districts | Current and Pipeline

- Cebu** will continue to be the biggest supplier of PEZA spaces outside Metro Manila, with a total of **322K sqm** of vacant PEZA space from today until 2023.

1980's to 2019

PEZA Certified | 141K sqm
Under Application | 71K sqm
Freeport Zone | 10K sqm

**Total Vacancy
222K sqm**

2020

PEZA Certified | 113K sqm
Under Application | 69K sqm
Freeport Zone | 0K sqm

**Total Vacancy
182K sqm**

2021

PEZA Certified | 88K sqm
Under Application | 132K sqm
Freeport Zone | 31K sqm

**Total Vacancy
251K sqm**

2022

PEZA Certified | 153K sqm
Under Application | 96K sqm
Freeport Zone | 14K sqm

**Total Vacancy
263K sqm**

2023

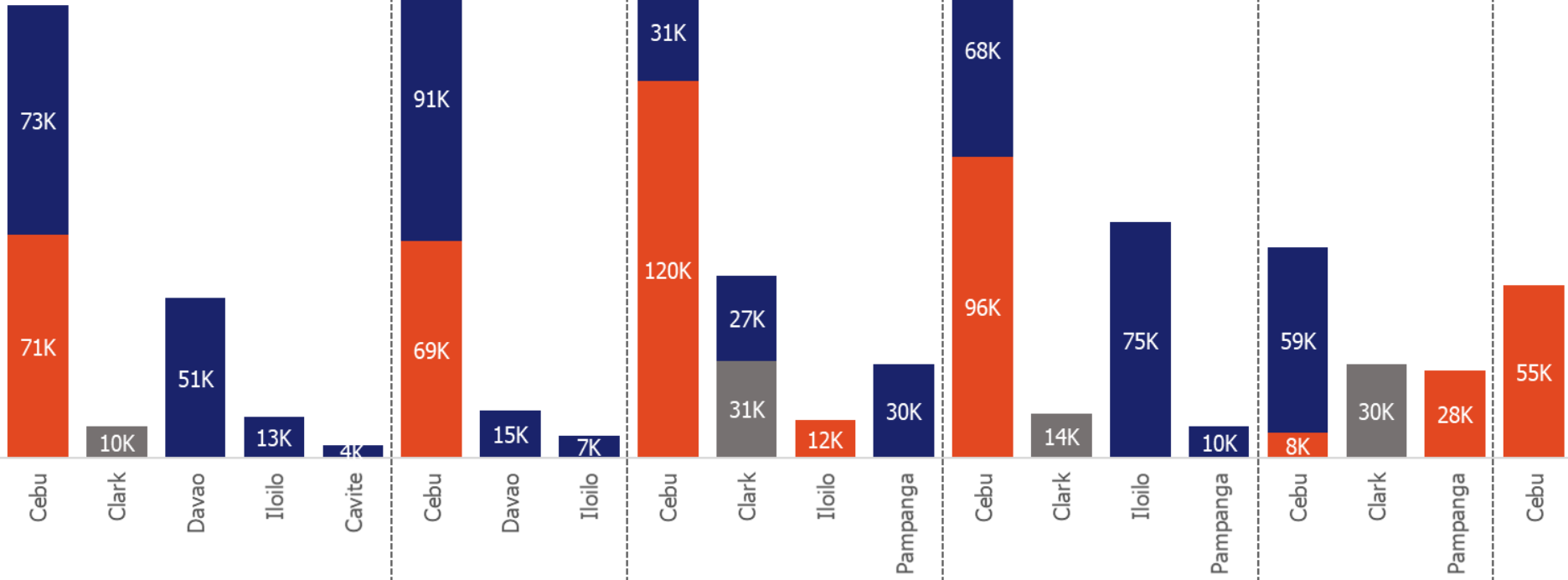
PEZA Certified | 59K sqm
Under Application | 36K sqm
Freeport Zone | 30K sqm

**Total Vacancy
125K sqm**

2024

PEZA Certified | 59K sqm
Under Application | 36K sqm
Freeport Zone | 30K sqm

**Total Vacancy
125K sqm**

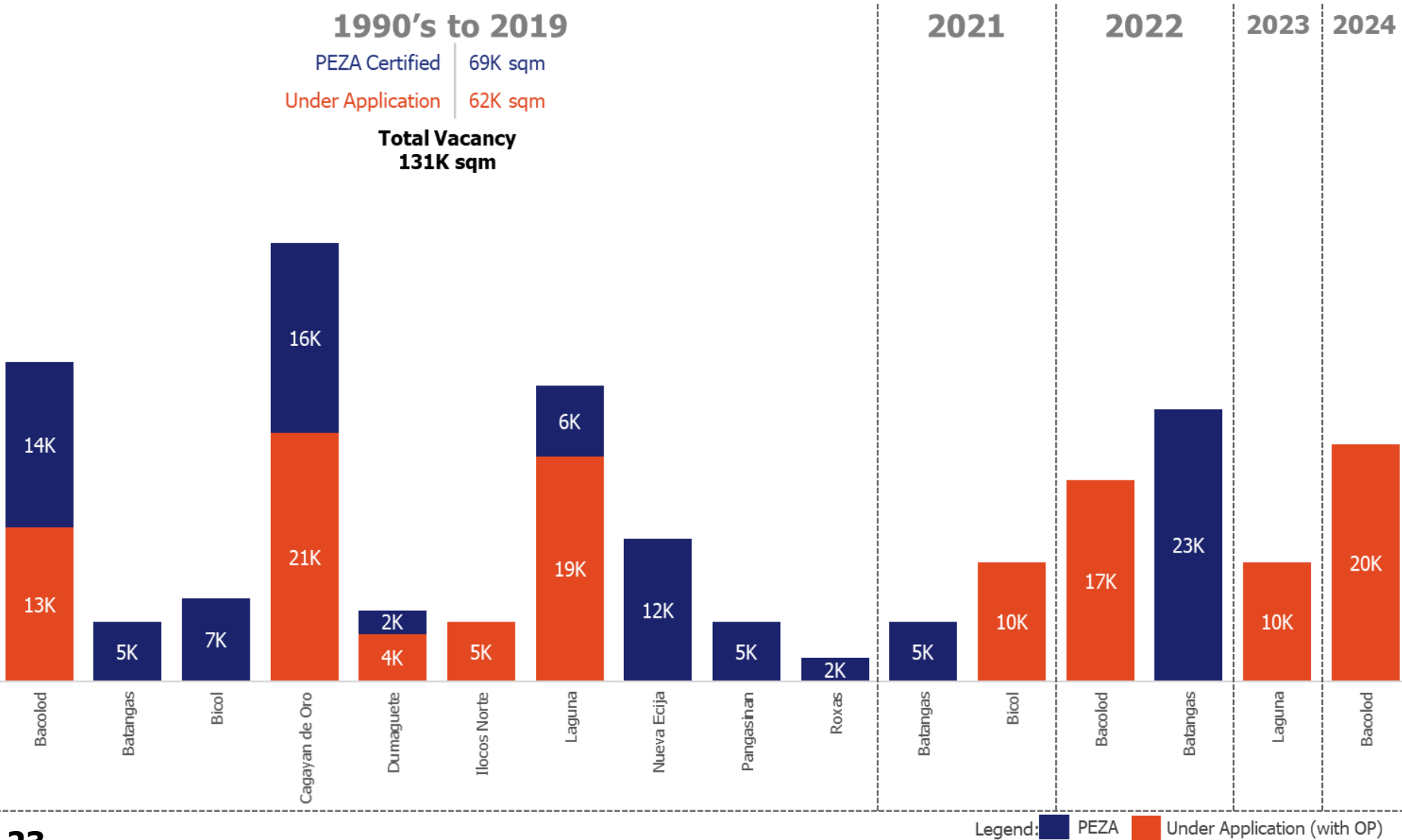


Legend: ■ PEZA ■ Under Application ■ Freeport Zone

Provincial PEZA Vacancy

Other Provinces | Current and Pipeline

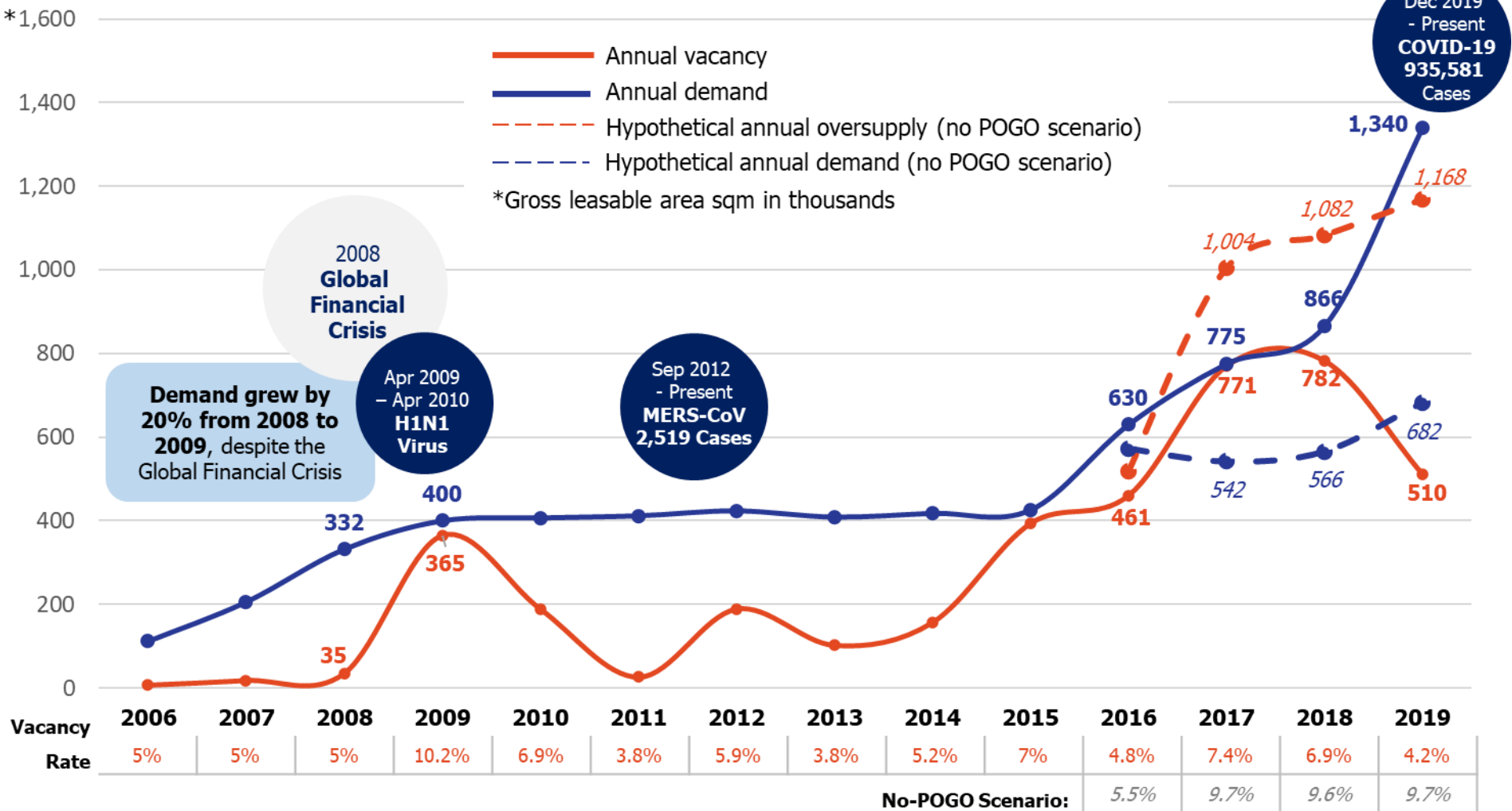
- Outside of the Key Districts, Current PEZA Vacancy is at **69K sqm** spread across **9 provinces**.
- Another **28K sqm** of vacant PEZA space is expected to enter the market by **2022**



Impact of IT-BPM and POGO Sectors to Office Market

Metro Manila | Demand versus Supply

- Philippines is the **only market in the world where office demand did not contract during 2008 Global Financial Crisis (GFC)**, this is on the back of IT-BPM demand for office space. The IT-BPM office demand has been stable and growing modestly throughout the decade
- Since 2016, **POGO demand for office space has absorbed the supply which the IT-BPM sector was not able to take**. Without the POGO sector, vacancies would have reached over 1M+ sqm each year.
- Learning from the 2008 GFC, we are optimistic that demand from **IT-BPM sector will catch-up starting 2H 2020**.





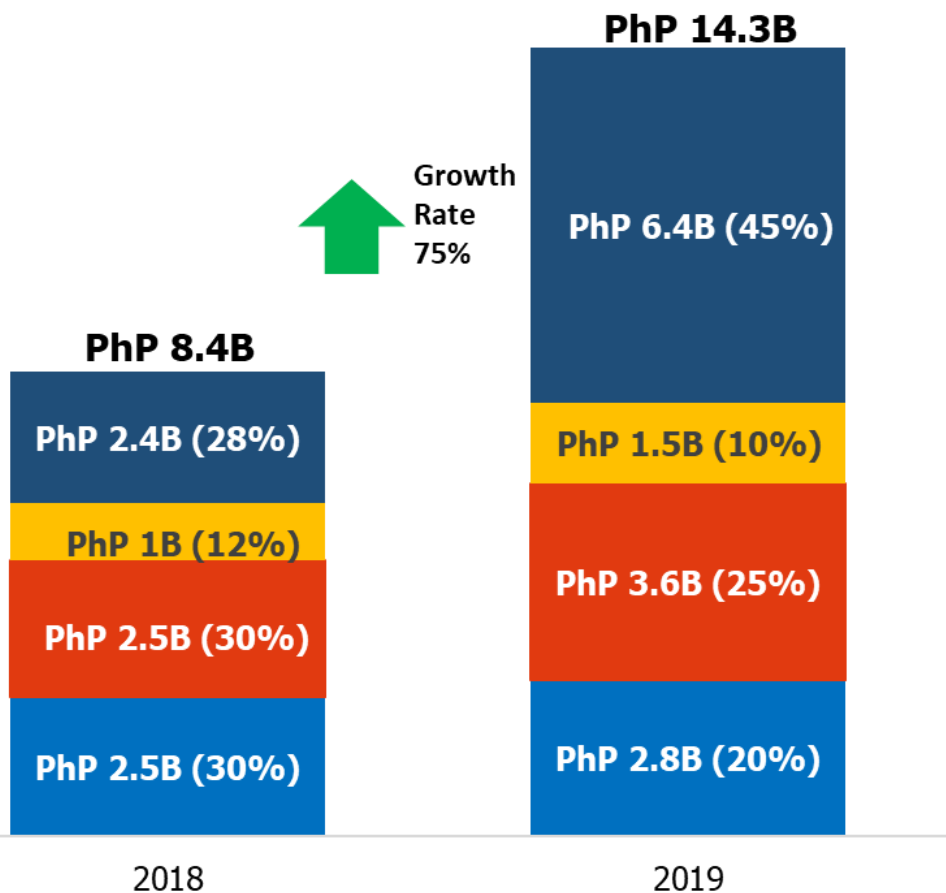
POGO Sector

POGO is our Friend

Demand Analysis | Year-on-Year Comparison

- **The POGO industry** has produced **120K** jobs for Filipinos. It has also become another **source of income for government projects and services**.
- About **1.6M sqm** of office space has been taken up by the POGO industry.

Taxes Collected from POGOs



BENEFITS



- 1.6M sqm office space occupied in the Philippines and another estimated 1.6M - 1.8M sqm of residential space taken
- Significant real estate driver that keeps office and residential space vacancies low
- Willing to pay more than market standard rental rates
- POGO expansion in provinces increases investor confidence therefore generating more projects in hotels, residential, offices, and infrastructure sector
- Approx. 450K direct jobs generated, of which 120K are locals – and possibly close to a million indirect local jobs generated, working in the Services sector
- Approx. PhP 340B in salaries spent by employees
- Largest inbound tourist market spending \$1.3K/per capita

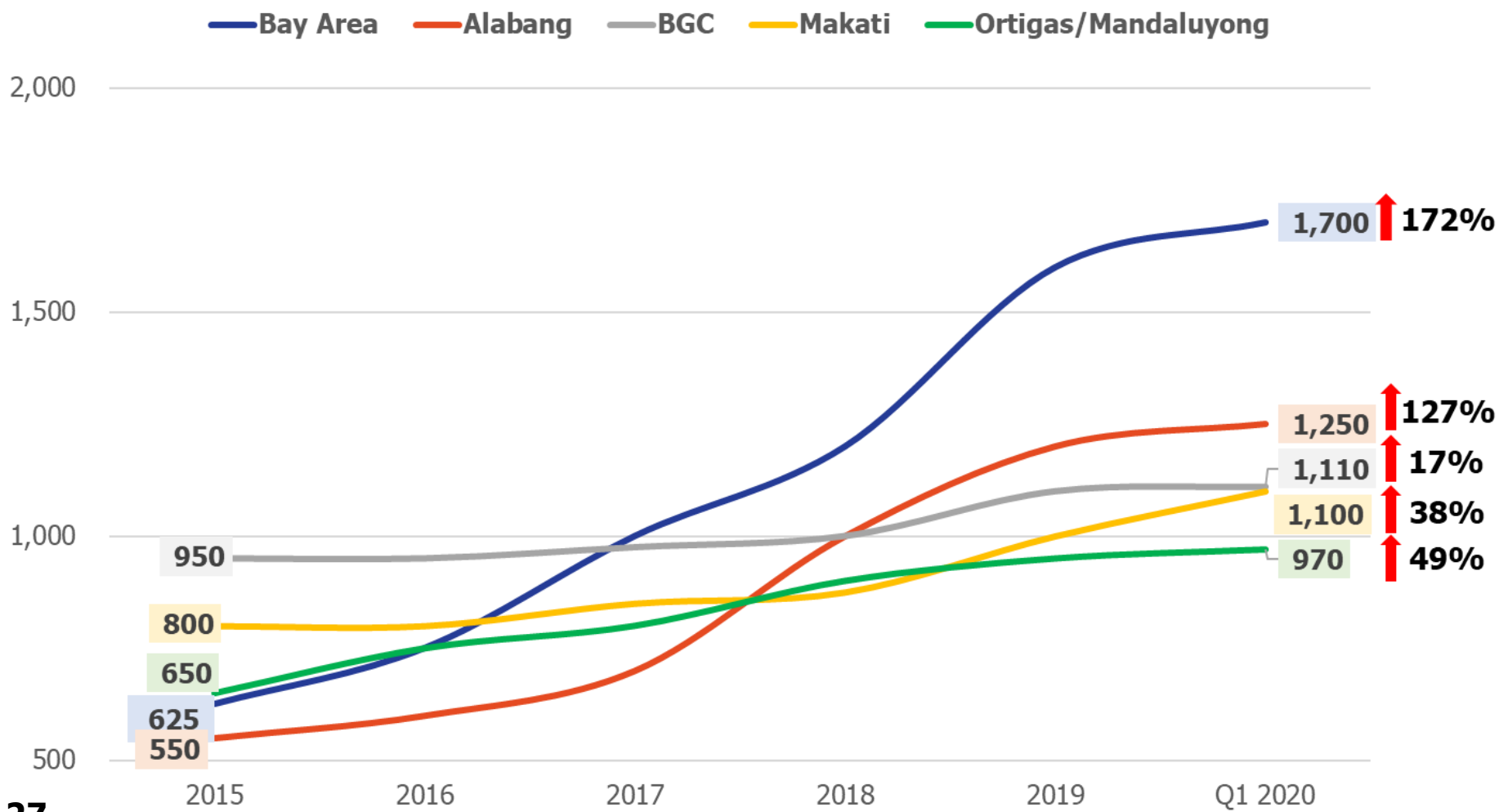
■ Real Estate Tax ■ Employee Taxes ■ Excise Taxes ■ Business Taxes

Metro Manila Residential Market

Rental Market

- **Leasing demand remains firm** and this has led to landlords dictating **record high prices for rental units**.
- Rental rates have seen an **increase of up to 172%** from 5 years ago in the **Bay Area**
- There is a **high rental growth rate** in **Bay Area** and **Alabang** that complements the **POGO industry**.

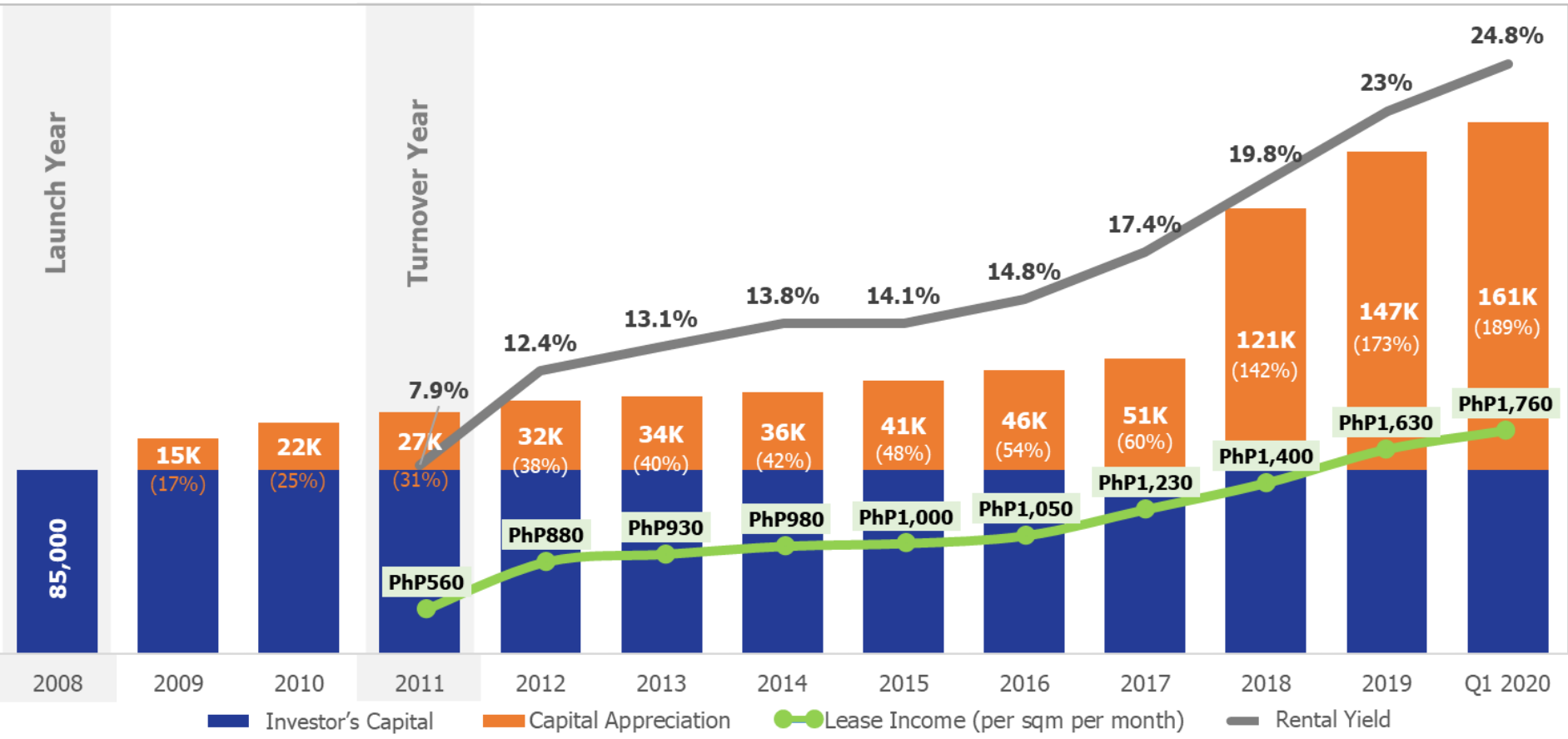
METRO MANILA COMPARATIVE RENTAL RATES
(In PhP/sqm/mo)



Bay Area Residential Investment

Sea Residences | Capital Values, Rental Rates, and Yield

- A Bay Area residential condominium investment of **P85K/sqm.** in 2008 has a current **24.8% yield from rental income** and a **capital appreciation of 189%** driven by **POGO.**



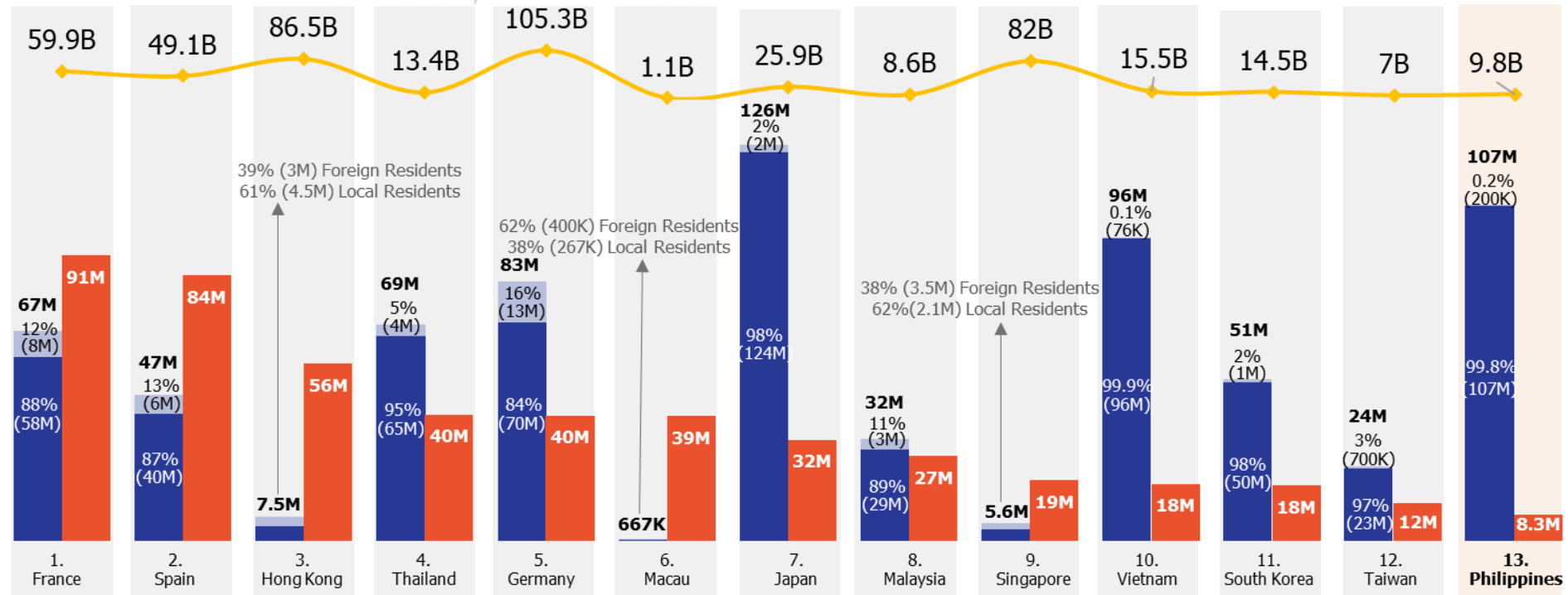
YEAR	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	1Q 2020
Total Yield	-	17.2%	8.3%	13.9%	18.7%	15.5%	16.2%	19.9%	20.9%	23.6%	101.6%	53.9%	40.7%
Rental Yield YOY %Chg	-	-	-	-	4.5%	0.7%	0.7%	0.3%	0.7%	2.5%	2.4%	3.2%	1.8%

- **The Philippines** has a low rate of foreign residents at only **0.2%** of its population and one of the lowest tourist arrivals in the world.
- **Macau** has the highest share of foreign residents (including foreign workers) to total population.
- Countries like **Hong Kong, Macau, Singapore, France, and Spain** have higher tourist arrivals than its entire population.

Foreign Residents and Tourists in Different Countries

■ %Local Residents ■ %Foreign Residents ■ Tourist Arrival 2019 — FDI (USD, 2018)

*United Nations, Various International Websites *Foreign Residents are migrants as defined by United Nations and include those with working visas.



Ratio of Local to Foreign Residents

7:1 | 7:1 | 3:2 | 16:1 | 5:1 | 2:3 | 62:1 | 10:1 | 3:2 | 1,263:1 | 50:1 | 33:1 | 535:1

Ratio of Local and Foreign Residents to Tourists

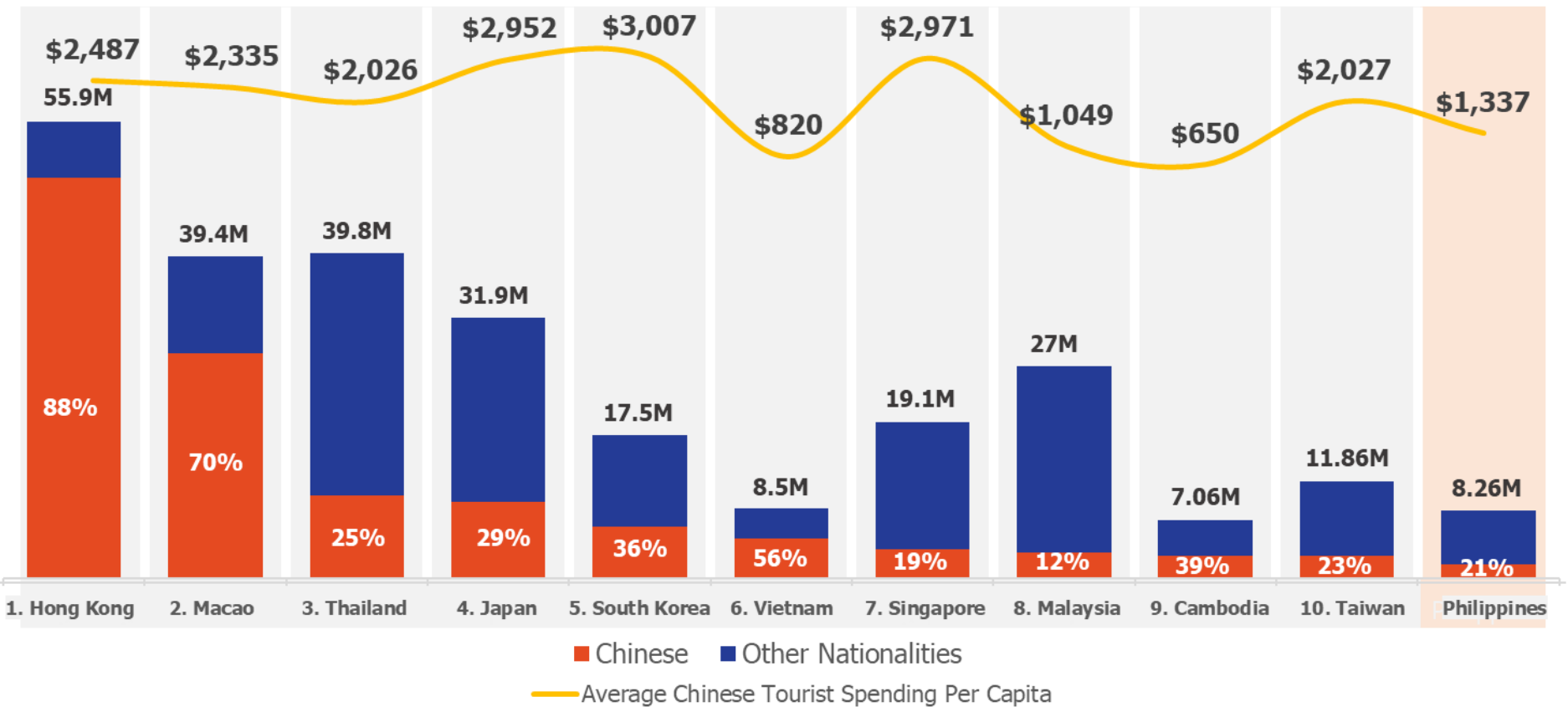
7:9 | 1:2 | 1:7 | 2:1 | 2:1 | 1:58 | 4:1 | 4:3 | 1:3 | 5:1 | 3:1 | 2:1 | 13:1

Chinese Outbound Visits

Chinese Tourists Volume vis-à-vis On-Location Spending

- **China** has changed the tourism landscape in the world and has remained the world's largest spender. **Only 10% of China's 1.4 Billion** inhabitants **travel internationally**
- **China** is the **world's largest market for outbound travel**, having skyrocketed from 4.5 million travelers in 2000 to **170 Million in 2019**. 74.5 million went to Greater China (Hong Kong, Macau, Taiwan) and 95.5 million traveled beyond
- **70% (119 Million)** of the total Chinese tourists traveled to the **Top 10 countries for Chinese outbound countries**.
- **Only 1% (1.7 Million)** of total Chinese tourists went to the **Philippines**.

**Top Outbound Chinese Visits 2019
Including Philippines**



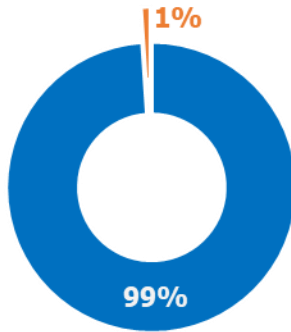
■ Chinese ■ Other Nationalities

— Average Chinese Tourist Spending Per Capita



Global Comparison of REITs

**Global REITs
Asset Value:**
USD 3 trillion
(as of Jan 2020)



**Global Real
Estate Value:**
USD 280 trillion
(as of 2017)

346 REITs
across the
globe, spanning
38 countries

REITs own approximately **\$3 trillion in gross real estate assets** globally, with **\$2 trillion of that total from public listed and non-listed REITs** and the remainder from privately held REITs.

REIT sectors: office, retail, residential infrastructure, health care, industrial, data centers, self-storage, lodging, timberlands, jails, and others

USD 109B raised in public market offerings in 2019

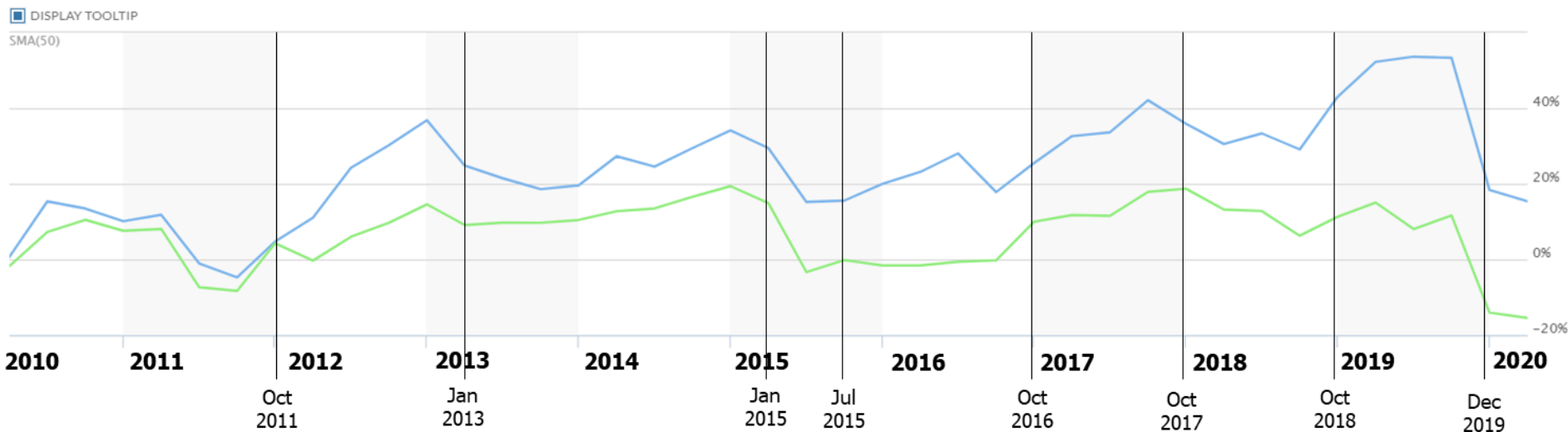
Country	Year Enacted	# of REITs	REIT as % of Stock Market Cap	REIT Market Cap (in billion USD)	Stock Market Cap (in billion USD)	Minimum Public Ownership (to list)
Philippines	2009	0	0.20% (est.)	\$ 0.605 (est.)	\$ 294	33%
Singapore	1999	43	15%	\$ 110	\$ 733	25%
Australia	1971	38	10%	\$ 143	\$ 1,454	15%
US	1960	226	4%	\$ 1,188	\$ 30,436	At least 100 shareholders
Canada	1993	37	3%	\$ 107	\$ 3,256	At least 150 shareholders
Japan	2000	64	3%	\$ 157	\$ 5,967	At least 1,000 shareholders
South Korea	2001	232 (7 listed)	3%	\$ 39	\$ 1,123	30%
Malaysia	2005	18	3%	\$ 11	\$ 391	25%
UK	2007	56	2%	\$ 89	\$ 4,590	35%
Thailand	2007	4	1.5%	\$ 7	\$ 455	25%
Hong Kong	2003	11	1%	\$ 52	\$ 4,618	25%
India	2014	1	0.21%	\$ 5	\$ 2,270	25%

COMPARATIVE PERFORMANCE OVER A 10-YEAR PERIOD

As of 01 April 2020

ST Real Estate Investment Trusts Index: +15.35%

Straits Times Index: -15.49%



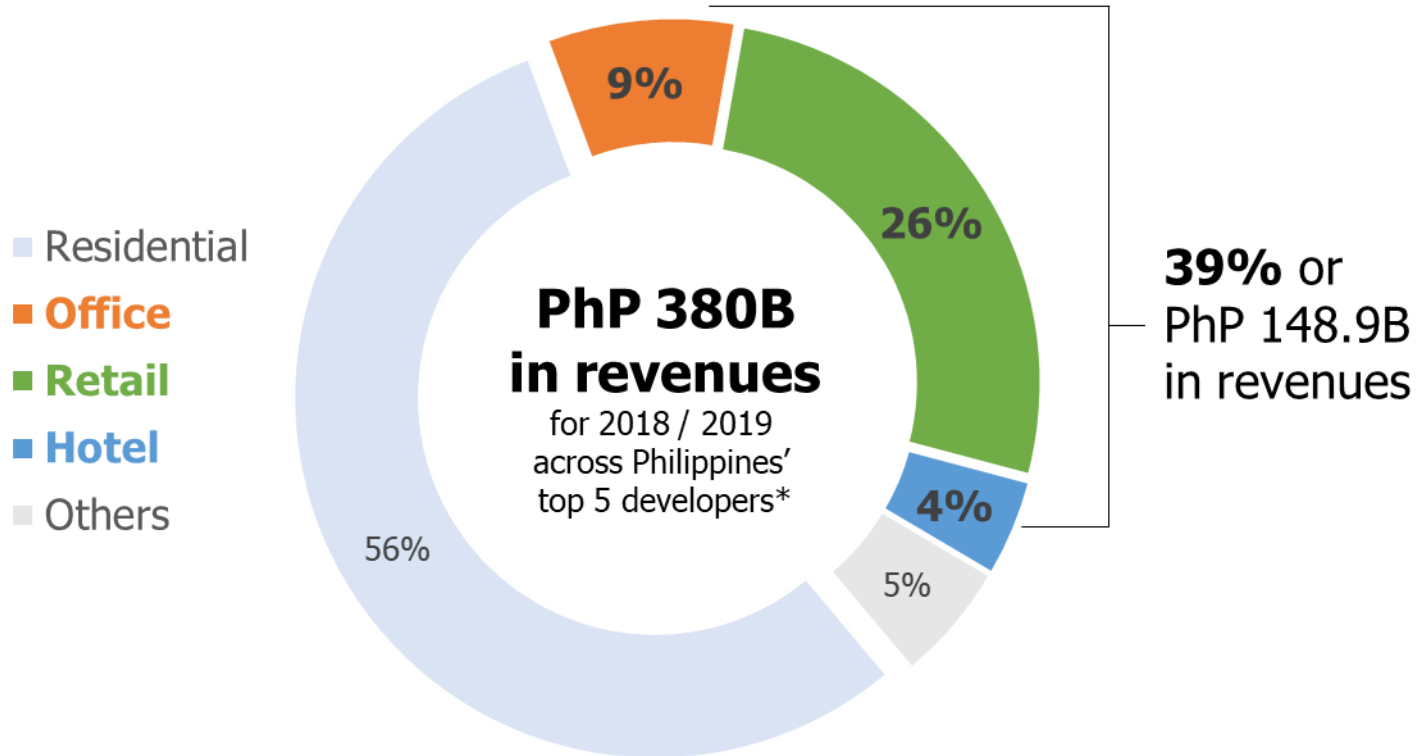
Legend:

- FTSE ST Real Estate Investment Trust (FSTRE2000)
- Straits Times Index (STI)

- The **FTSE ST Real Estate Investment Trust** (FSTAS8670) is a well-established index which have been tracking Singapore REIT sectors for quite sometime. There are total 33 index components in this FSTAS8670 index.
- The **Straits Times Index (STI)** is a market capitalization weighted index that tracks the performance of the top 30 companies listed on SGX.

Source: Marketwatch

- The strong performance and healthy supply levels of the office, retail, and hotel sectors in the Philippines indicate that it is well-positioned for REIT. We highlight that **the revenue stream of these 3 sectors combined comprises 39% of the total revenue of the Philippines' Top 5 developers.**



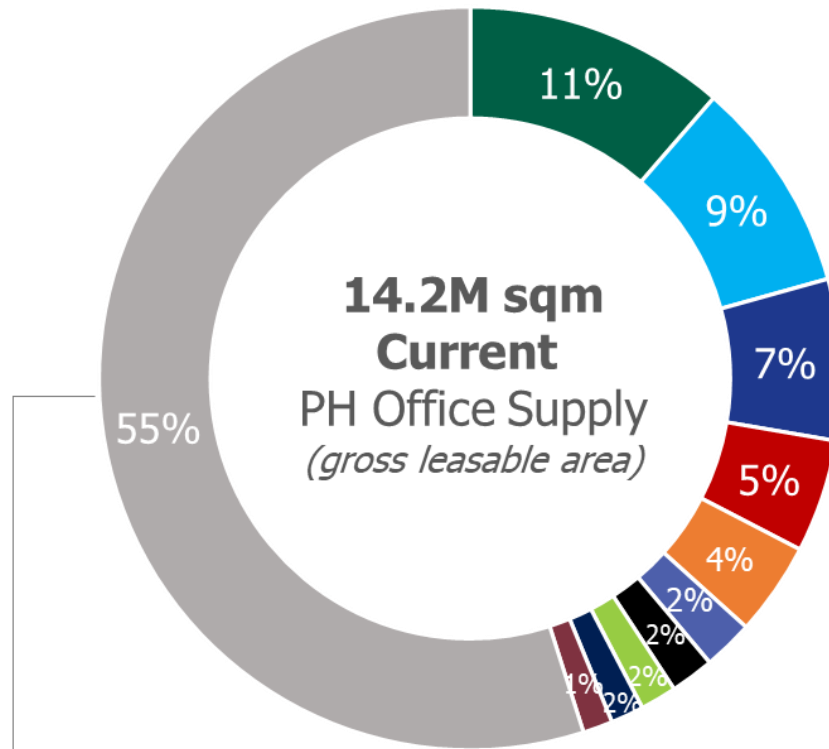
*Top 5 developers and date of revenue reports: Ayala Land (2019), Filinvest Land (2018), Megaworld (2018), Robinsons Land (2019), SM Prime Holdings (2019)

Source: JP Morgan and various annual reports

Office: Developer Market Share

Philippines – Current Supply (as of end-2019)

- The **top 10 developers represent 45%** (6.4M sqm) of the current PH office stock, while the **next 10 developers account for 10%** (1.3M sqm).



Top 10 from others (10% of total)	RCBC/Yuchengco Group of Companies (174K)	Philippine Realty & Holdings (145K)
	Rockwell Land (161K)	Innoland Development (140K)
	The W Group (160K)	Century Properties (137K)
	DoubleDragon (156K)	Vista Land (131K)
	Federal Land (154K)	Skyrise Realty (115K)

1	AyalaLand	11% (1.6M)
2	MEGAWORLD	9% (1.3M)
3	SM	7% (1M)
4	ROBINSONS LAND CORPORATION	5% (708K)
5	FILINVEST	4% (602K)
6	The Araneta Group	2% (318K)
7	NEO	2% (271K)
8	Dalich Properties	2% (226K)
9	AMBERLAND CORPORATION	2% (205K)
10	ETON	1% (185K)

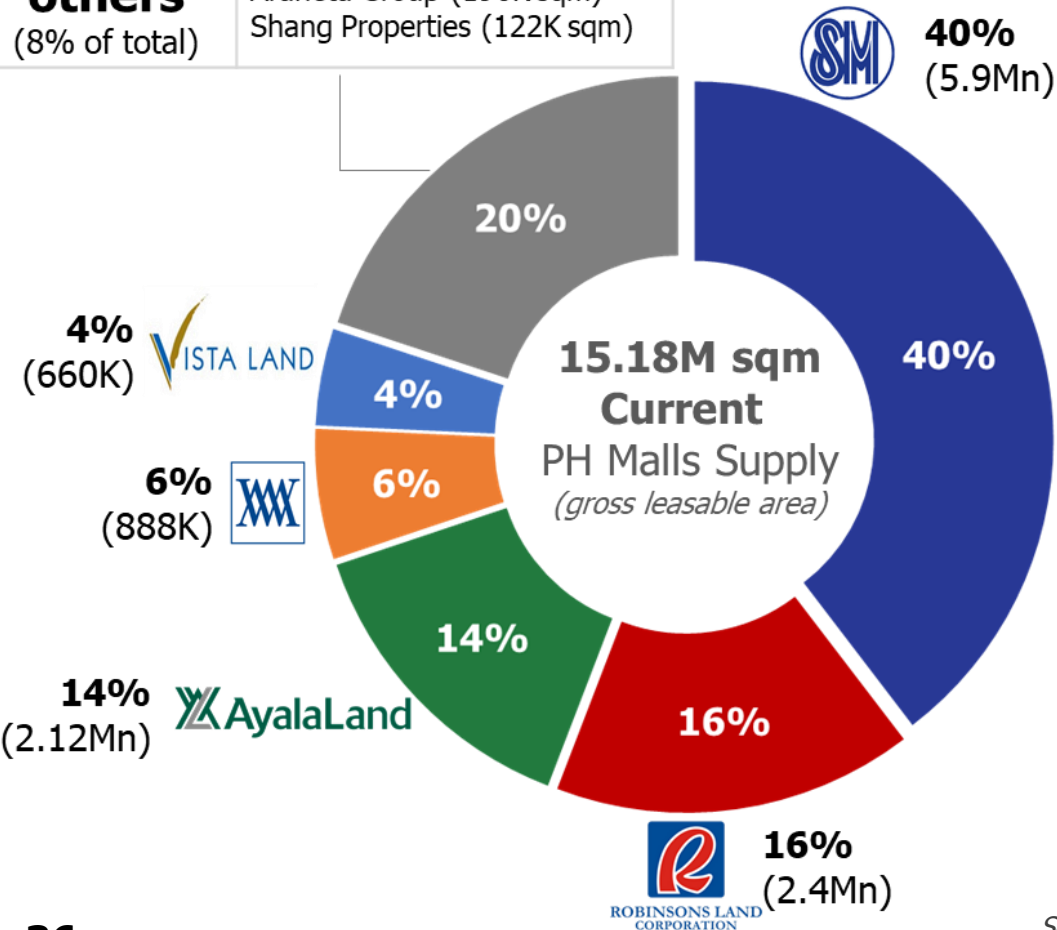
Malls (Retail): Developer Market Share

Philippines - Current Supply (as of 1Q 2020)

- 12M sqm or **80% of the total current malls stock is from 5 developers** only. The next 5 developers represent 1.2M sqm or 8%. The balance of 1.8M is spread across over 60 mall developers.

Top 5 from others (8% of total)

Filinvest Land (341K sqm)
Double Dragon (292K sqm)
Gaisano (282K sqm)
Araneta Group (196K sqm)
Shang Properties (122K sqm)



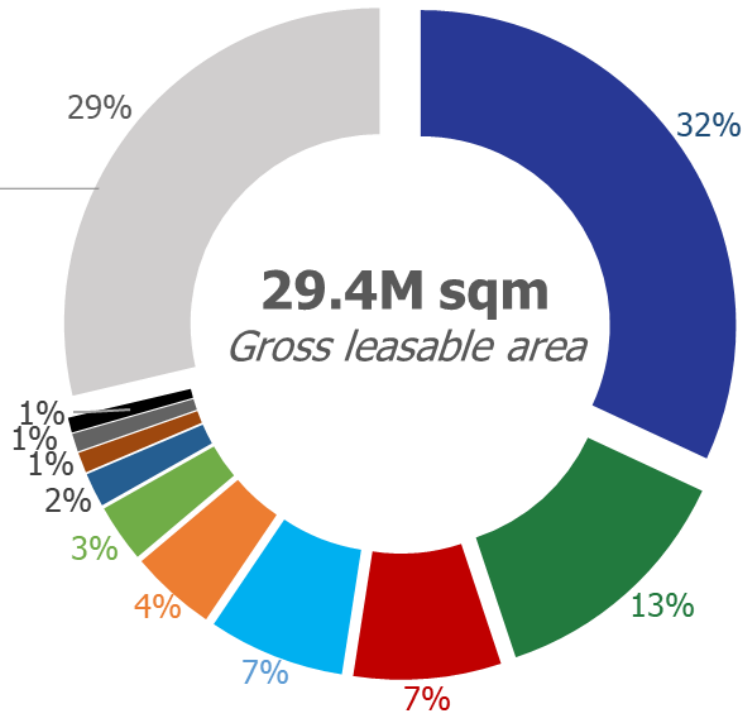
REGION	GLA (sqm)	%
NCR	6.7Mn	44%
Region III - Central Luzon	1.9Mn	13%
Region IVA - CALABARZON	1.6Mn	11%
Region VII - Central Visayas	1.4Mn	9%
Region VI -Western Visayas	957K	6%
Region V – Bicol Region	511K	3%
Region XI – Davao Region	431K	3%
Region X – Northern Mindanao	302K	2%
Region II – Cagayan Valley	288K	2%
Region XII – SOCCSKSARGEN	241K	2%
Region XIII – Caraga Region	192K	1%
Region I – Ilocos Region	158K	1%
Region IVB – MIMAROPA	107K	1%
CAR	105K	1%
Region VIII – Eastern Visayas	53K	0.4%
ARMM	42K	0.3%
Region IX – Zamboanga Peninsula	29K	0.2%
TOTAL	15.18Mn	100%

Source: LPC Research, Developers' press releases and annual reports

Office + Malls = Massive Portfolio of REIT-able Assets











Philippines - Current Supply

OFFICE & MALLS CURRENT TOTAL SUPPLY



Top 5 from others (4% of total)

- Daiichi Properties (226K)
- Rockwell Land (208K)
- Amberland Corporation (205K)
- Eton Properties (185K)
- RCBC/Yuchengco Group of Companies(174K)

1		32% (6.9M)
2		13% (3.7M)
3	 ROBINSONS LAND CORPORATION	7% (3.0M)
4	 MEGAWORLD	7% (2.2M)
5		4% (944K)
6		3% (791K)
7		2% (514K)
8		1% (449K)
9		1% (282K)
10		1% (271K)

37 Note: Figures above are the sum of the earlier reported office and malls current supply in this deck.

*"Today is hard, tomorrow will be worse, but the day after tomorrow will be sunshine."
– Jack Ma*

1. IT-BPM sector is the largest office occupier. They need to be supported by having more PEZA zones throughout the country.
2. With COVID-19 pushing global markets into a recession, combined with the corresponding "infinite" global fiscal stimulus packages, these will translate to a sustainable long term inflow of IT-BPM and POGO demand.
3. POGO is our friend. They have increased investors sentiments significantly and most importantly in the provinces.
4. China is the single largest investor and tourism market in the world. We have to find a way to continue to attract them to invest in the Philippines.
5. REITs are a proven defensive play. Philippines can offer a sizable REIT-able portfolio of at least 22M square meters of office and mall space.

Our Insights. **Your Success.**