

Market Focus: Manila on the rise

ASIA PROPERTY REPORT Nov 25, 2010



The Manila skyline is changing rapidly with new commercial and residential developments city wide.

Like most of the bustling capitals around the world, Manila now boasts its fair share of high-rise buildings. There are so many skyscrapers, it's hard to imagine that until about 15 or 20 years ago, it was actually quite rare to find a building that was more than 10 storeys high.

An obvious change can be attributed to a long string of expansive commercial complexes in the city. For instance, SM Mall of Asia in Pasay and SM Megamall in Mandaluyong, both owned by business tycoon Henry Sy and two of the biggest shopping malls in South East Asia. Manila has also enjoyed a continuous influx of international companies such as IBM, Citibank, and Thomson Reuters, all of whom have set up regional offices, lending a more vibrant feel to the city's traditional culture. The highly cosmopolitan atmosphere in the Central Business District of Makati is testimony to the commercial buzz that permeates Manila. Combined with easily accessible facilities and reputable schools like Ateneo de Manila in Quezon City, plus well-equipped hospitals like St. Luke's in Global City, Taguig, It's not surprising the city is steadily attracting a good mix of real estate investors and buyers.



Location is an important factor that adds value to Manila's inner city residences.

Ma. Mercy T. Antonio, business director and core broker head of Vista Land Inc., one of the country's most prominent realty developers, explained why Manila is increasingly coming under the spotlight. "Here in the Philippines, particularly in the metro, a lot of investors base decisions on what they perceive as a perfect location," he said. "This typically means

Manila on the Rise – Asia Property Report, November 25th 2010

something that not only offers good value for money, but also matches the needs and requirements of the buyers and will therefore prove to be a good return on investment over time. Manila offers all three.”

With more and more people migrating from the provinces to the city, the need for living spaces is also on the rise. The challenge is for developers to make the most of Manila’s limited land resources, which is manifesting in the building of high-rise residential condominiums. The key to successful luxury real estate development is for companies to be able to sniff out places that are easily accessible to urban comforts and amenities. “Condominiums are booming in and around Metro Manila, especially if they are close to schools, offices and malls,” Antonio continued. “It’s very rewarding to handle these kinds of projects because they are within reach of almost every amenity. I can confidently market that to clients, knowing that these condos suit buyers wider needs.”



Riverside residences appeal to high-end buyers in the Philippine capital.

Mark Paningbatan, a licensed real estate broker for Eton Properties, another big name in real estate development agrees that residential condominiums are very popular. “In the midst of so much construction, I define residential luxury as the properties located in prime areas,” he said. “ This means those that are near shopping malls, schools, hospitals, and so on. The concentration of buildings in such areas is high, with good reason.”

The next step for developers, after deciding on a location, is to conceptualize and design a property that somehow stands out and leaves a distinct impression on prospect buyers. “I handle The Eton Residences Greenbelt which is, of course, in a much sought-after site because it’ll be literally a stone’s throw away from the posh shopping district at Greenbelt,” says Paningbatan. Dubbed ‘the first all-loft luxury condominium in Makati’ this 39-storey premium residential condominium will feature sweeping views of the city. Antonio is equally enthusiastic about her projects. “One of the properties I’m assigned to is Avant at The Fort,” she said. “It’s considered as flagship project of Vista Residences, proudly situated at the Crescent Park West in Bonifacio Global City. The 38-storey glass condominium utilizes green architecture and a superior building layout.”



Manila on the Rise – Asia Property Report, November 25th 2010

Chic commercial developments now line Manila's modern neighbourhoods.

Needless to say, the price of real estate has continuously shot up in Manila, but compared to the prices for developments in neighboring Asian countries like Singapore and Malaysia, a realty investment in Manila is still considerably very attractive. Highend condominiums fetch between Php15 million to Php30 million (US\$352,000- US\$785,000). Paningbatan says the price is still largely dependent on the location. "I can't stress enough how the location affects the price of a property in Manila," he said. "Condominiums in the business districts of Ortigas, Makati and Bonifacio Global City are bound to be more expensive than in other parts of Metro Manila. Depending on where you want to buy, a good property can range from Php5 million (about US\$117,000) all the way to Php40 million (about US\$941,000)."

As for the question on how the real estate market is faring elsewhere in the country, both Paningbatan and Antonio are positive that the industry is holding up well in the face of global economic worries. "For the second half of the year I was able to meet my quota so, yes, I think it's been a pretty good year," Paningbatan affirmed. "I'm definitely looking forward to 2011."

Antonio offered an example of recent foreign interest. "An Australian client of ours flew to the Philippines to personally inspect a unit he'd been eyeing at Avant," she said. "When he saw it – a prime unit that is facing the Manila golf area – he made the purchase on the spot. I believe that when a property is developed by a note-worthy real estate company, it quickly merits the trust and confidence of clients." With enviable locations and affordability drawing the attention of developers and buyers, not to mention the city's inherent charm and comforts, Manila certainly seems poised to be one of the region's premier sites for luxury residential real estate.