



## 2012 seen as banner year for tourism, hotel sectors

By: [Tessa R. Salazar](#)  
[Philippine Daily Inquirer](#)

What would be on the up-and-up the coming year? Inquirer Property continues the fearless forecast of the real estate industry for 2012:

Ø Emerging trends will spring up from various sources in 2012, fueled in great part by Internet marketing. Property analysts also see pocket developments in new central business districts, while competition will shift to the home-buying experience, which, says Enrique Soriano, professor at the Ateneo Graduate School of Business and senior adviser at Wong+Bernstein Business Advisory, would revolve around hybrid residential-cum-leisure projects. Soriano adds that locations most likely to “break out” and make themselves known would be Alabang, Laguna and Cebu.

Ø Condos will continue to lord it over in cities and emerging growth centers. Condominiums in cities would gain on subdivisions and related housing developments in 2012. Soriano says this particular asset class will likely to be sustained in 2012. Aside from the NCR and Cebu, specific locations in the country where condos would most likely to gain a dominant foothold over housing would be emerging CBDs and regional growth centers such as Davao, Iloilo, Bacolod and Cagayan De Oro. Top leisure destinations would still be Boracay and Baguio.

Ø It would also be the office sector’s banner year. Rick Santos, chair and CEO of CBRE Philippines, and Victor Asuncion, executive director for Global Research & Consultancy, say expansion of business process outsourcing companies, shared services, and call centers would continue as economies tighten in the West (United States and Europe). They also add the expansion of BPOs in the North (such as Clark and Subic); opening of the first precertified LEED Gold for Core & Shell Building in Makati—The Zuellig Building; and the synergistic relation of Bonifacio Global City and Makati in the office sector in the next two years.

Ø More tourism-oriented developments to rise in 2012. Paul Vincent Chua, associate director for valuation and advisory services and head of consultancy and research of Colliers International, says: “We will see a lot more tourism-oriented developments as we strive to enhance the beauty of the Philippines on the international scene and get more tourists to visit us.”

## Philippines: 2012 Seen As A Banner Year For Tourism, Hotel Sectors - Philippines Daily Inquirer, Dec 2011

Chua says major developers and investors are now studying the impact of the country's international presence through improved marketing efforts of the Department of Tourism, and recently the inclusion of Palawan's Underground River as one of the Seven Wonders of Nature would also showcase the Philippine's other natural beauty.

Related to tourism would be the gaming business, and as evidenced by the success of Resorts World, there would be more such establishments, Chua foresees, once Pagcor's Entertainment City gives rise to more world-class hotels and casinos.

"What is critical now is how the government will answer the growing concerns on the public-private partnerships (PPPs), particularly in the infrastructure and transport sector, which are equally important in tourism. We also need to rectify quickly the concerns on our international airport, which is still rated as one of the worst in the world. In a related issue would be the problem of international carriers leaving the country as one of its hubs in Asia. This would mean additional costs to both tourists and locals who are also traveling to other parts of the world," Chua says.

Ø Hotel and leisure sector will be dynamic in 2012. The expected growth in tourist arrivals, and with the advent of the gaming sector in the country, growth in hotels and leisure establishments would naturally follow, according to Santos and Asuncion.

CBRE observed that major developments sprouting in the Bay Area such Pagcor City and Belle Grande Casino Resorts Manila have added significantly more investments in the gaming industry. The continued growth of the office sector has prompted new branded hotel projects such as Shangri-La at Bomifacio Global City, the Grand Hyatt and Fairmont Hotel.

Investments and developments in serviced apartments have been spurred by the increase in medium-term staying business travelers such as BPO (business process outsourcing) trainers and consultants

### **Tourism to prosper in 2012**

The expansion of the tourism sector will also be seen in Cebu and the Visayas region as more residential and office developments begin, driven primarily by the BPO expansion in the region.

The expansion of the liberalized airline industry signals more foreign carriers to come in. Air Asia, for example has provided cheaper alternatives for international travel to local tourists.

The continued increase of foreign tourist arrivals, coupled with growth in domestic tourists traveling across the archipelago, has triggered new hotel developments in key tourist destinations. This trend will continue in 2012, with certain prime locations to enjoy more prominence, such as Boracay, Cebu, Davao, Cagayan de Oro, Palawan, Clark and Subic.

## Philippines: 2012 Seen As A Banner Year For Tourism, Hotel Sectors - Philippines Daily Inquirer, Dec 2011

Foreign investments into medical facilities will also bode well for the emergence of the Philippines as a major medical tourism destination. Upgrading and expansion of tertiary hospitals provide options and alternatives to medical tourists as well as returning retirees like balikbayans.

Ø Live-work-play projects will continually prosper in Metro Manila and other expanding cities. Chua says there will be more mixed-use developments as a key strategy for developers, as this will maximize the returns on a large plot of land.

“This would mean a continued focus on the live-work-play concept started by Megaworld, particularly in Metro Manila and other highly urbanized cities. We also saw successful launches of condominiums in Visayas and Mindanao by Ayala Land’s Avida, which will continue in 2012. Related to mixed-use developments are retail developments. In Metro Manila, we saw a lot of vertical developments with retail podiums on the ground floor. However, since super regional and regional malls have about 99-percent occupancy rate in Metro Manila, we will see more expansion geographically,” Chua explains.

Ø CBRE Philippines also predicts the high-end residential sector to become more popular in 2012.

Ø Growth of mid-income residential developments in 2012. Santos and Asuncion observed that young urban dwellers and start-up families have fueled the growth and expansion of middle-income vertical subdivision developments (i.e. condominiums) across Metro Manila with concentration on the peripheries of business districts. This trend would most likely continue in 2012.

Ø Continued demand in retail sector in 2012. CBRE Philippines sees the following to continue in 2012:

Retail expansion for neighborhood centers, supermarkets, hypermarkets and malls to continue across the country with new retail developments from Ayala Land, SM Prime, Robinsons Retail, Puregold Price Club, Rustan’s and Waltermart about to become operational.

Increased expenditure for dine-outs, or food consumed outside home, would fuel the expansion of fast-food chains, retail kiosks as well as beverage shops such as coffee, milk tea and frozen yoghurt.

More industrial and logistics interests in the Philippines in 2012, as wages in China go up, and in the aftermath of the Thailand floods. Such developments have caused more manufacturing plants and facilities to relocate and open in the Philippines. CBRE Philippines says these indicators in 2011 portend continued growth in 2012.