

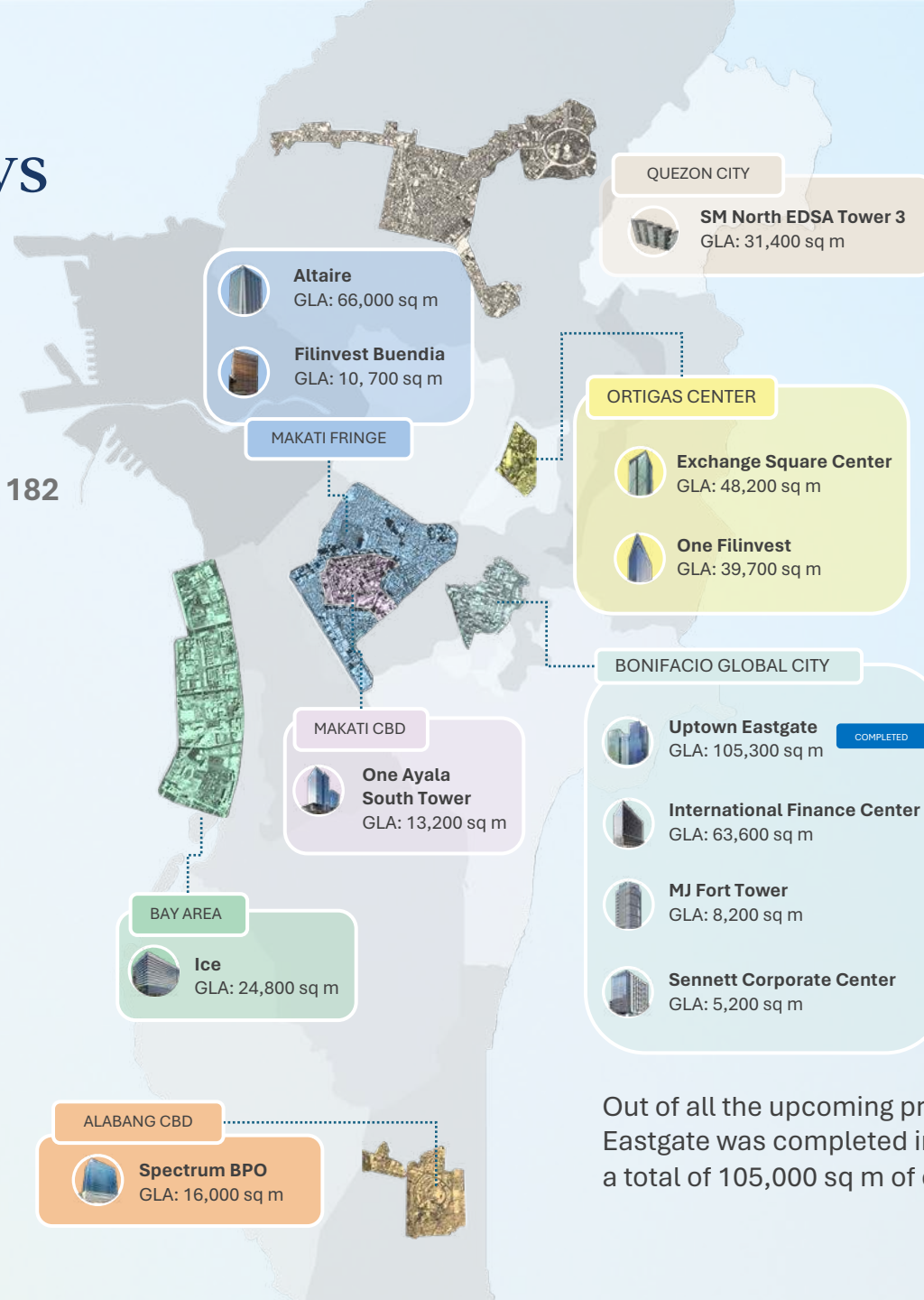
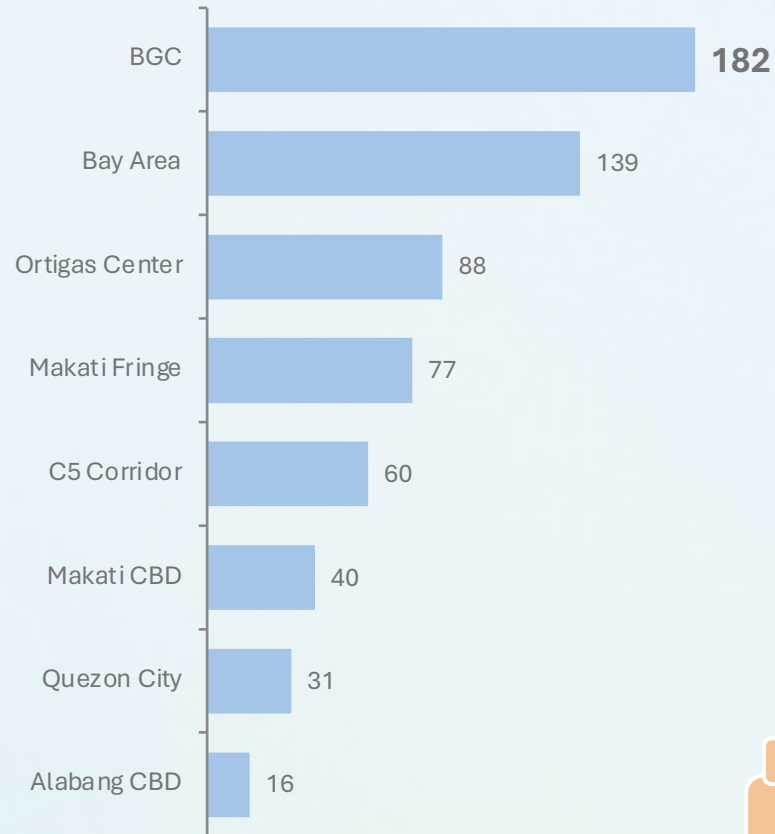


1Q 2024 Metro Manila Office Briefing

Office Demand Remains Steady at the Start of 2024



Construction Delays Impede Incoming Office Supply



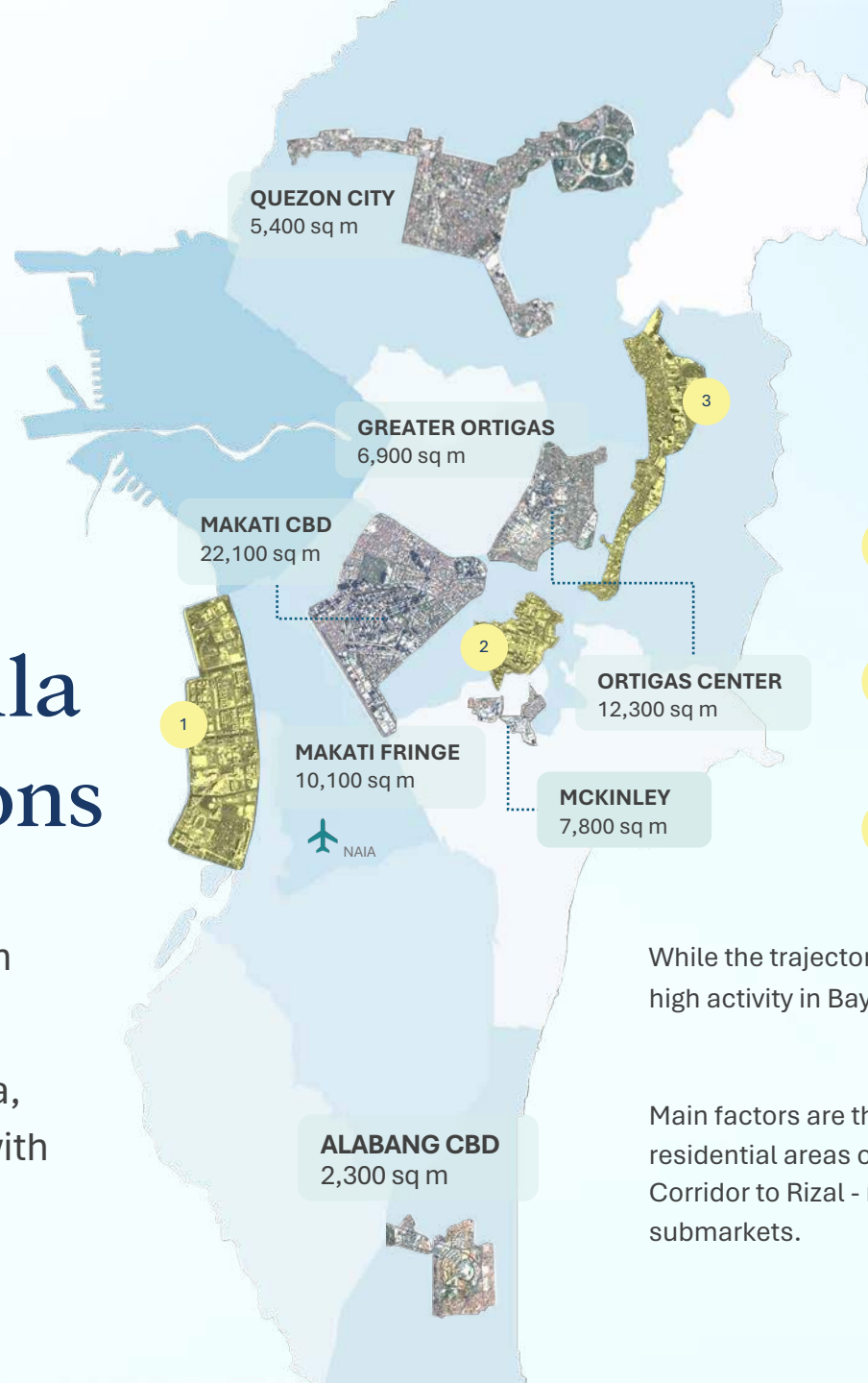
Total supply of **529,000 sq m** remains slated for completion for the rest of 2024.

Out of all the upcoming projects, only Uptown Eastgate was completed in 1Q 2024, contributing a total of 105,000 sq m of office space supply.

BGC, Bay Area, and C5 Corridor Push Metro Manila Office Transactions

Metro Manila Office Transactions reach 182,000 sq m in 1Q 2024.

Among the submarkets in Metro Manila, Bay Area, BGC, and C5 Corridor lead with the highest number of transactions.



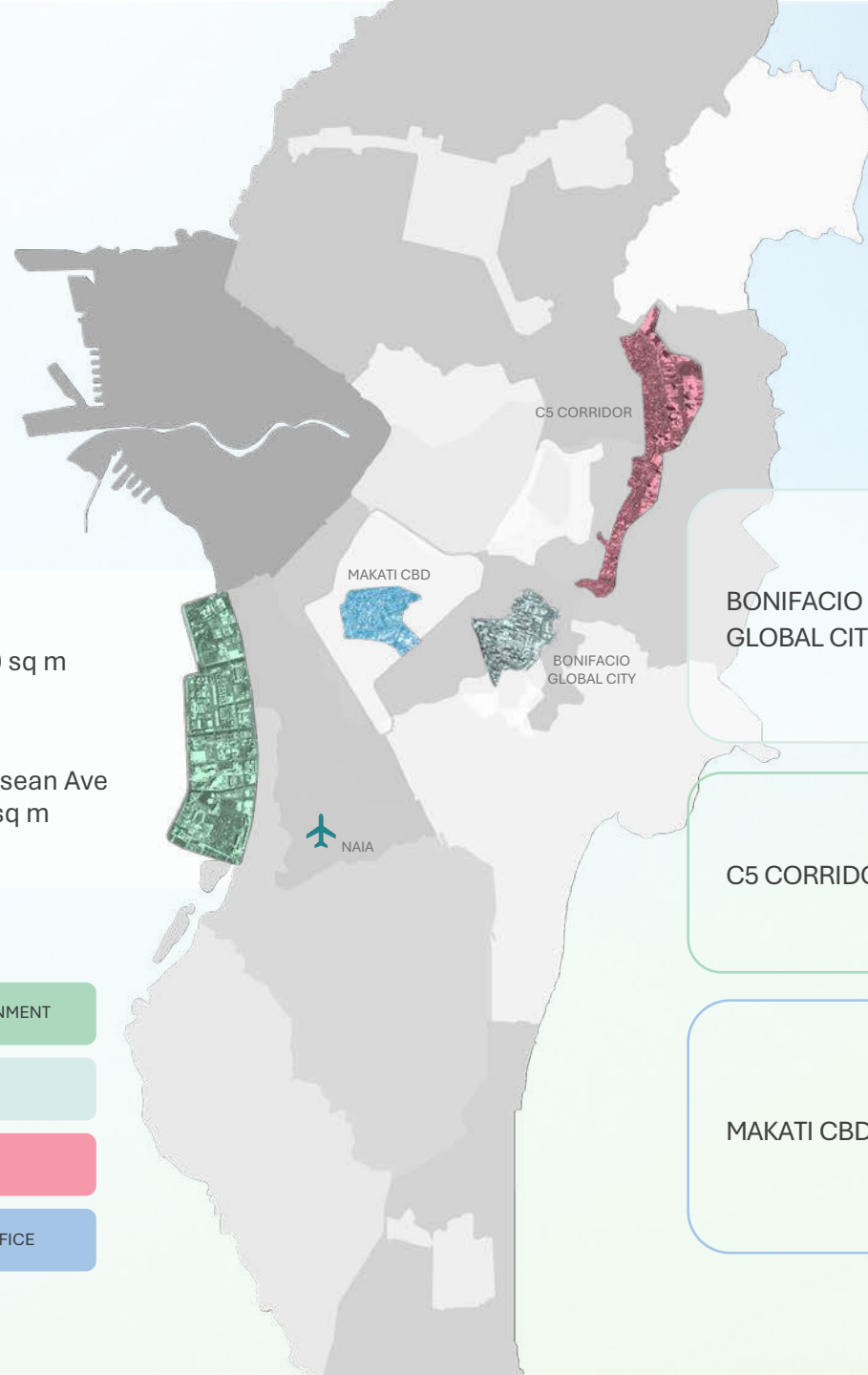
- 1 **BAY AREA**
56,100 sq m
- 2 **BONIFACIO GLOBAL CITY**
45,100 sq m
- 3 **C5 CORRIDOR**
13,700 sq m

While the trajectory for sustained growth in BGC was anticipated, the high activity in Bay Area and C5 Corridor offers a new perspective.

Main factors are the submarkets' proximity and accessibility to highly residential areas outside Metro Manila - Bay Area to Cavite and C5 Corridor to Rizal - making talent acquisition easier for tenants in these submarkets.

Noteworthy Office Transactions

Highlighted are the top buildings with the highest take-up from each key submarket.



BAY AREA



Met Live
18,700 sq m



iMet 2
14,500 sq m



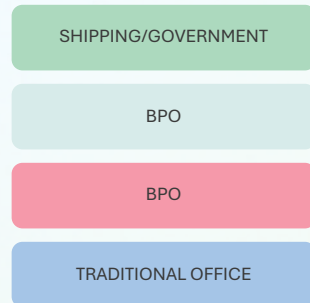
Aseana Three
13,500 sq m



8912 Asean Ave
8,100 sq m

Which industry stands out in each market?

The booming IT-BPM sector, expected to hit a revenue of USD 40 billion and a workforce of 1.84 million employees by 2024, continues to breathe life into the Metro Manila office market.



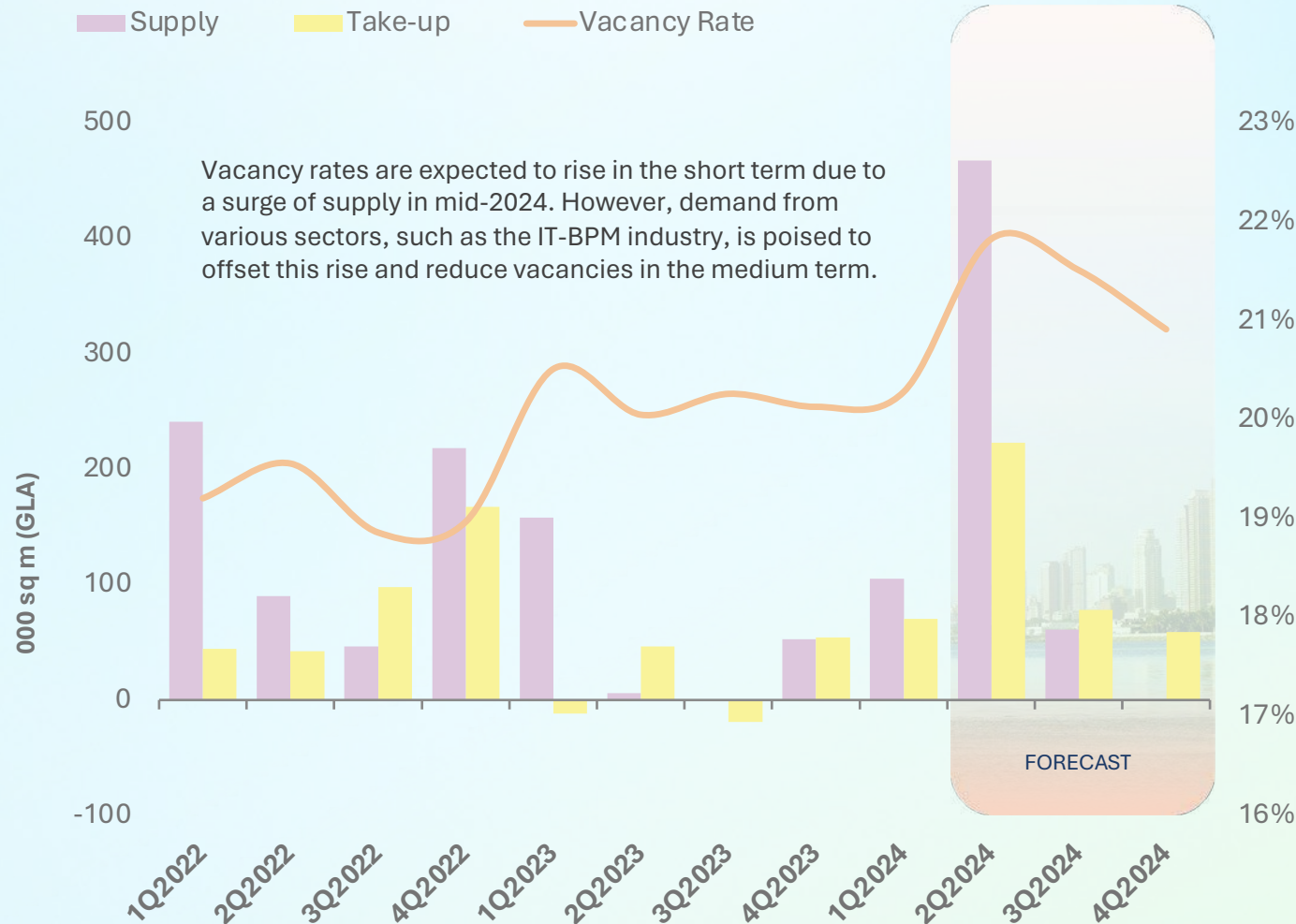
TRANSACTIONS FOR 1Q 2024

Submarket	Building	Area (sq m)
BONIFACIO GLOBAL CITY	Six/NEO	5,300
	EcoTower	4,900
	Panorama Tower	3,500
	Three/NEO	3,400

Submarket	Building	Area (sq m)
C5 CORRIDOR	GBF Center 1	9,800
	Exxa Tower	2,500
	IBM Plaza	1,300

Submarket	Building	Area (sq m)
MAKATI CBD	Tower 6789	2,800
	Philam Life Tower	2,600
	Zuellig Building	2,300
	RCBC Plaza Tower 2	2,200

Vacancies Throughout Metro Manila Subside

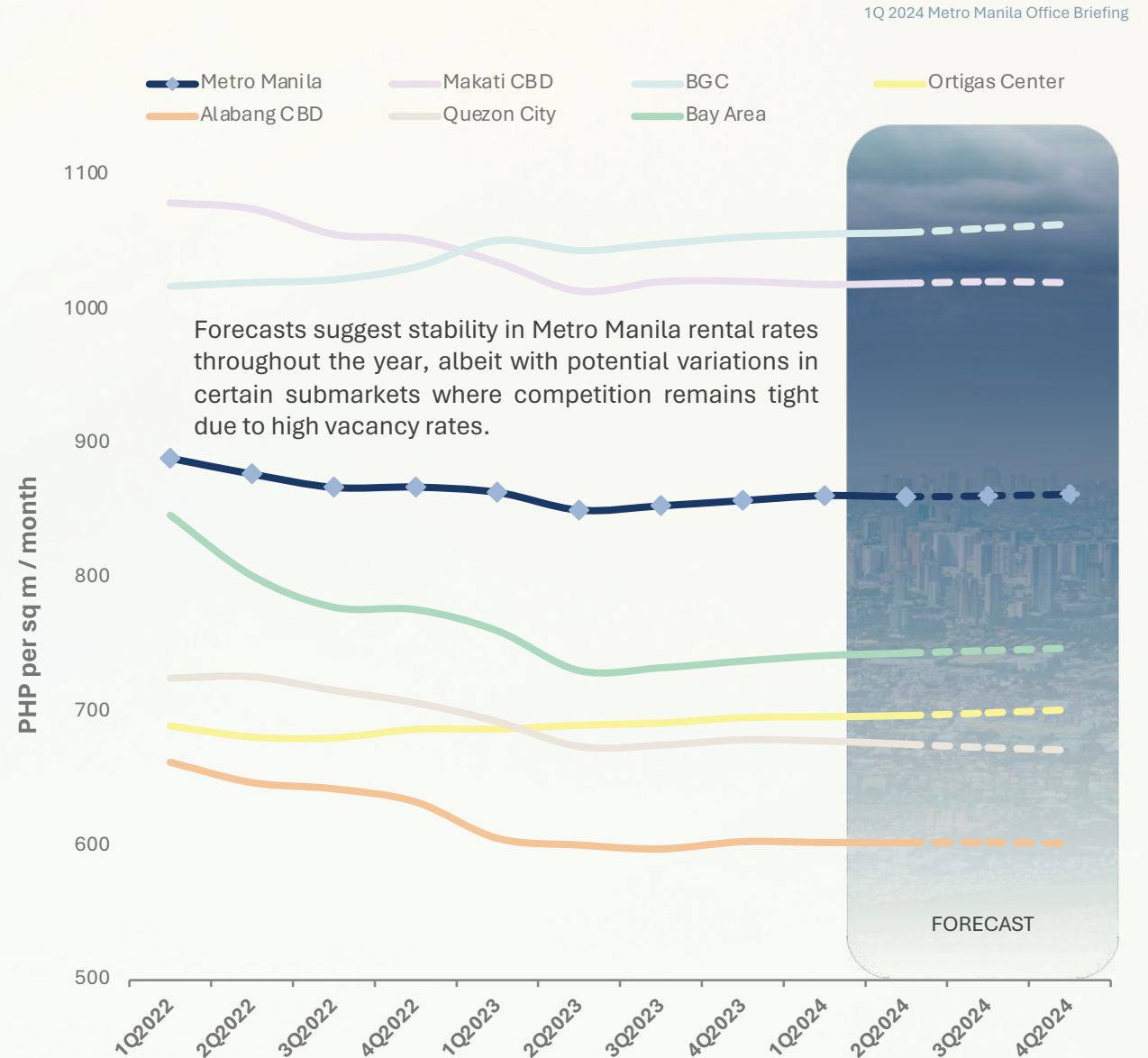


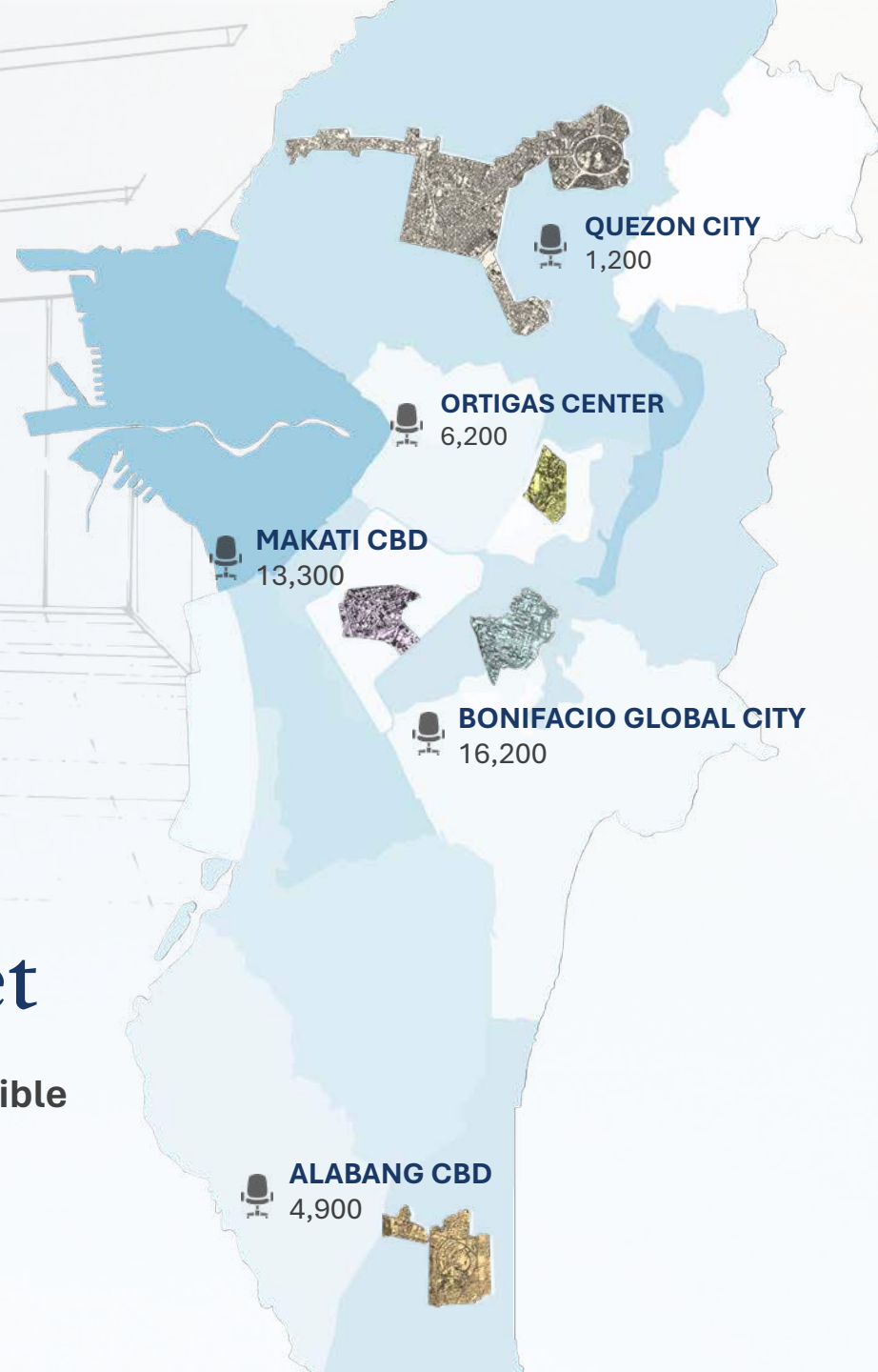
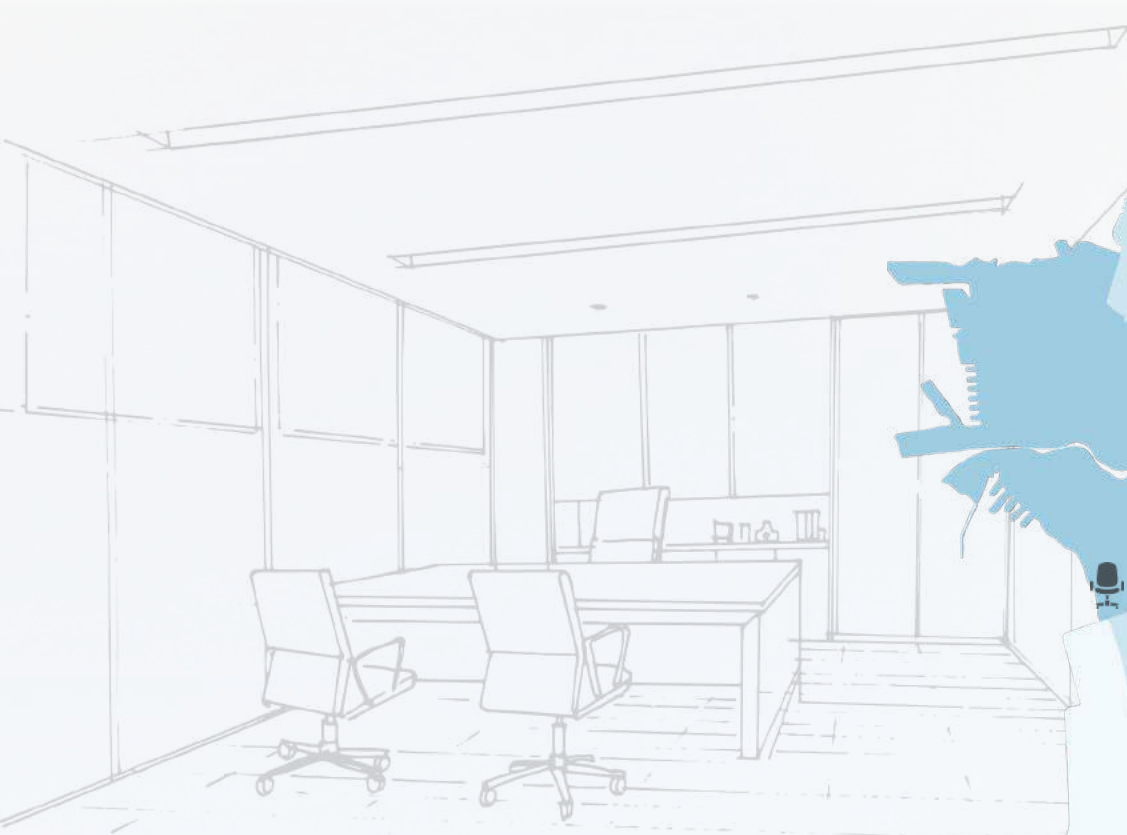
District	4Q2023	1Q2024	Movement
Makati CBD	14.7%	13.9%	▼
BGC	10.8%	13.7%	▲
Ortigas Center	25.7%	25.4%	▼
Makati Fringe	31.2%	30.4%	▼
Alabang CBD	35.5%	36.4%	▲
Bay Area	32.6%	28.6%	▼
Vacancy rates decreased by 4.0% to 28.6% QoQ			
C5 Corridor	21.2%	18.4%	▼
Vacancy rates decreased by 2.8% to 18.4% QoQ.			
Quezon City	16.3%	19.6%	▲
McKinley	7.6%	12.0%	▲
Greater Ortigas	13.2%	12.0%	▼

Rental Rates Remain Static Coming Into 2024

	4Q 2023	1Q 2024
Metro Manila	857.6	861.3
Makati CBD	1,021.2	1,018.7
BGC	1,054.1	1,056.4
Ortigas Center	695.8	696.4
Alabang CBD	603.3	602.7
Quezon City	679.3	678.3
Bay Area	737.9	742.0

Metro Manila rental rates are stable at the PHP 850.0 to PHP 860.0 range for the fourth straight quarter.





Other Factors in the Office Market

The total office space provided by **flexible workspace providers** in Metro Manila reached approximately 250,000 sq m.

KMC	23,000	
International Workplace Group	5,100	
sales rain	3,400	
FIGARI Building your Business	3,400	
wework	2,300	
work.able	1,600	
CLOCK IN	1,200	
COMPASS OFFICES	1,000	
COMMON GROUND	800	
THE EXECUTIVE CENTRE	700	

Note: 6-12 sq m per seat.



Exemption from Wharf Dues and Export Tax, Duty, and Impost Fees

Exemption from Taxes and Duties on Imported Spare Parts

Tax Exemption on Breeding Stocks and Genetic Materials

Three (3) to eight (8) - year income tax holidays;

Tax Credits

Four (4) to six (6) - year exemption from local business taxes for pioneer and non-pioneer industries;

Additional Deductions from Taxable Income

Exemption from Branch Profit Remittance tax for PEZA-registered branches of foreign corporations; and

Permanent resident status for foreign investors with initial investments of USD 150,000.00 or more;

Other incentives, as determined by the PEZA Board

BOI vs. PEZA:

A Comparison of PH Tax Incentives

There are various tax incentive programs available for different businesses in the Philippines. The different incentive schemes are tailored depending on the nature and location of the business. Here is a quick comparison between two of the major Tax Incentive Programs here in the country.

Additional deduction equivalent to 50% of training expenses, chargeable against the 3% share of the national government in the special 5% tax on gross income;



Income Tax Holiday for four (4) years for Non-pioneer IT enterprises, or six (6) years for Pioneer IT enterprises;

Exemption from payment of import duties and taxes on imported machinery and equipment and raw materials;

Offshore profit remittances, not subject to remittance tax

After the ITH period, the option to pay a special 5% tax on gross income earned, in lieu of all national and local taxes, except real property taxes on land owned by developers;

KMC SAVILLS RESEARCH

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