



THE PHILIPPINES: PROPERTY MARKET OVERVIEW

AVISIO

VALUATION & ADVISORY

A collaborating firm of Andersen Global



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A Southeast Asian archipelago with over
115 million people
as of
2024.

The Economy are driven by



Services



Manufacturing



Remittances

What sustains the investor's confidence



Strategic Location



Young Workforce



Infrastructure Development

PHILIPPINE ECONOMIC Overview

The GDP grew
5.5% in Q1 of 2024

maintaining momentum as one of
ASEAN's fastest-growing
economies.

Per capita income reached
USD 3,900

reflecting a gradual recovery in
purchasing power.

Inflation eased to an
average of 3.6%

boosting consumer confidence and
housing demand.

Labor force participation rate
5.5% in Q1 of 2024

stronger job creation, particularly in
construction, tourism, and logistics

Loans for real estate activities
21% as of mid-2024

highlighting sustained developer and
investor confidence

Net FDI inflows
USD 9.4 billion

manufacturing, real estate, and
renewable energy

KEY PROPERTY SECTORS





RESIDENTIAL SECTOR

The residential market maintained a stable growth trajectory in 2024

↑ **9.8%**

YoY in Q4 2024

Nationwide Residential Real Estate Price Index (RREPI)

↑ **4-5%**

Average condominium prices

↑ **6-7%**

house-and-lot projects in provincial areas

16%

residential vacancy rate in the National Capital Region



OFFICE SECTOR

The Philippine office sector continued to adjust to post-pandemic work arrangements in 2024

18-20%

averaged vacancy rates amid hybrid work trends

7.3M sqm

total new office supply

400,000 sqm

annual net absorption

Cebu, Clark & Davao

recorded higher leasing activity



RETAIL SECTOR

The retail property market strengthened significantly in 2024 after two years of recovery

↓ **13%**

mall vacancy rates, supported by higher consumer traffic

↑ **7% YoY**

growth in retail sales due to improved household consumption

↑ **3-4%**

lease rates driven by food, fashion, and lifestyle categories

Metro Manila, Cebu & Pampanga

rising tourist arrivals also contributed to higher in-store sales



HOSPITALITY SECTOR

The hospitality industry posted one of the fastest recoveries among all property segments in 2024

Over 6M

international arrivals while domestic travel surpassed pre-pandemic levels

↑72%

average hotel occupancy in Metro Manila

75-80%

occupancy rates in Cebu, Bohol, and Palawan

↑6%

average daily room rates, supported by the return of business travelers, leisure tourism, and MICE events



INDUSTRIAL AND LOGISTICS

The industrial and logistics property market remained the strongest performer in 2024

5-6%

in Q4 2024

Average warehouse vacancy rates

6%

Increase in prime warehouse rents

Cavite, Batangas, Pampanga & Laguna

Most active industrial locations

Central Luzon & Northern Mindanao

Foreign investor expansion

Over USD 44.6B in ongoing projects nationwide to improve connectivity

MEGA

INFRASTRUCTURE DEVELOPMENTS



Key projects



**NORTH–SOUTH
COMMUTER
RAILWAY**
USD 15.4B



**METRO MANILA
SUBWAY
PROJECT**
USD 8.65B



**NEW MANILA
INTERNATIONAL
AIRPORT**
USD 13B

Key projects



**NORTHERN ACCESS
LINK EXPRESSWAY
(NALEX)**
USD 2.59B



**SOUTHERN ACCESS
LINK EXPRESSWAY
(SALEX)**
USD 2.66B



**PASIG RIVER
EXPRESSWAY
(PAREX)**
USD 1.86B

Key projects



SAMAR PACIFIC COASTAL ROAD II

USD 111M



PANAY-GUIMARAS- NEGROS ISLAND BRIDGES

USD 3.2B



DAVAO-SAMAL BRIDGE

USD 350M

Beyond transport, the Philippine government's Infrastructure Flagship Projects (IFP) list totals approximately **USD 158 billion** in combined investments across **energy, logistics, telecommunications, and water-resource systems.**



2025–2026 OUTLOOK

The Philippine real estate market is set for **steady growth** over the next two years, supported by a roughly **6 percent economic outlook**. Residential prices will rise at a **moderate pace** as supply increases and interest rates influence buying activity, with strongest demand in **well-connected growth areas**. The office sector will recover **gradually**, with improving leasing in **outsourcing-driven** locations and better performance in **prime buildings**. Retail and hospitality will continue to strengthen as **consumer spending** and **tourism** improve, though still sensitive to economic shifts. **Industrial and logistics** will lead demand, driven by **e-commerce, manufacturing, and limited modern warehouse supply**, with development focused on **advanced logistics sites and cold storage** near key transport corridors.



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