PROPERTY MARKET NEWS

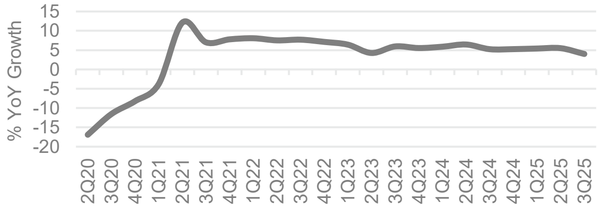
PHILIPPINES

CUSHMAN & WAKEFIELD

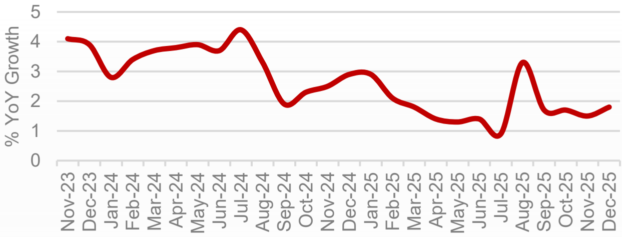
DECEMBER 2025

GENERAL PROPERTY

4.0% YoY 3Q 2025 Real GDP



1.8% YoY Dec 2025 Headline Inflation



Source: Philippine Statistics Authority

❑ The Bangko Sentral ng Pilipinas (BSP) recorded the lowest level of greenfield foreign direct investments (FDI) in September, amounting to USD 320 million. This was the weakest since April 2020, when government restrictions at the onset of Covid-19 reduced inflows to USD 313 million. By the end of September, net FDI inflows had fallen 22.2% year-on-year to USD 7.12 billion. This decline has been evident since January, with inflows consistently lower compared to the previous year. Over the nine-month period, the Philippines achieved only 55.4% of its USD 10 billion FDI target. The slowdown has been largely attributed to the flood control scandal, which tightened government spending and dampened investor confidence. Japan remains the top source of FDI, particularly in equity capital placements, while the manufacturing sector absorbed the largest share of inflows. Looking ahead, FDI inflows are expected to remain positive but moderate, with the manufacturing and real estate sectors likely to attract investor confidence provided sentiment improves.

Read the original article

➢ *Given the recent corruption scandals, sluggish GDP growth, and policy uncertainty, it is expected that investors will maintain a cautious stance while closely monitoring governance reforms, currency fluctuations, and borrowing costs. Similarly, real estate players are anticipated to adopt strategic positioning to capitalize on forthcoming policy clarity and infrastructure development.*

❑ *News article cited* ➢ *C&W Philippines Research view*

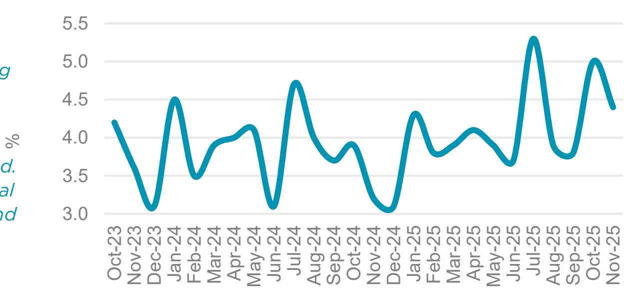
OFFICE

❑ The Philippines' information technology and business process management (IT-BPM) industry continues to outperform global competitors, recording revenue growth that is two percentage points above the global average. The IT and Business Process Association of the Philippines (IBPAP) reports that the sector is expected to generate USD 40 billion in revenue this year, reflecting a 5% increase from USD 38 billion last year. Consequently, employment is projected to grow by 4%, bringing the total workforce to 1.9 million. Despite proposed policies that may affect offshoring, the industry remains resilient due to a robust ecosystem, the commitment of member firms, and the highly skilled Filipino talent pool. The IT-BPM sector now accounts for more than 8% of GDP. Industry expansion has been driven by strong performance in contact centers, financial services, healthcare, competition policies, and technology-enabled services, as well as the rise of global capability centers, which numbered 170 as of September. Looking ahead, IBPAP projects revenues to reach USD 42 billion and employment to approach 1.97 million, with continued emphasis on skills development, artificial intelligence adoption, and the expansion of global capability centers.

Read the original article

➢ *Key drivers of international sourcing include labor cost reduction, with major destinations and strategic hubs such as the Philippines continuing to benefit from this trend. Meanwhile, the industry faces critical bottlenecks like skill mismatches and the operational realities of AI, prompting a fundamental transformation of business processes, technology infrastructure, and talent management strategies..*

4.4% Nov 2025 Unemployment Rate



Source: Philippine Statistics Authority

❑ *News article cited* ➢ *C&W Philippines Research view*

PROPERTY MARKET NEWS
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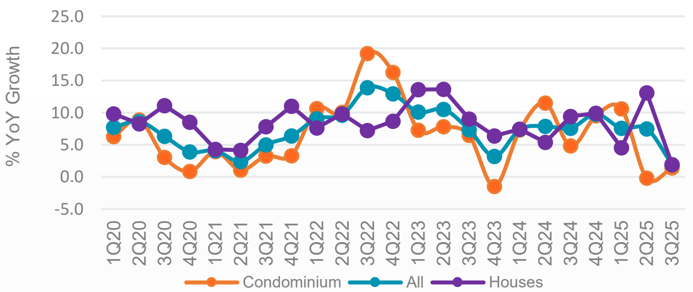
DECEMBER 2025

CUSHMAN & WAKEFIELD

3.0% YoY Oct 2025 OF Personal Remittances

1.9% YoY 3Q 2025 Residential Property Price Index (2019= 100)



Source: Bangko Sentral ng Pilipinas

RESIDENTIAL

- The BSP further cut its benchmark policy rate to 4.5%, marking its fifth consecutive reduction and signaling that the current easing cycle may soon conclude. The Monetary Board also lowered the overnight deposit and lending rates to 4% and 5%, respectively, the lowest levels since September 2022. Since August 2024, the BSP has reduced interest rates by a total of 200 basis points, with quarter-point cuts implemented during policy meetings in April, June, August, and October. This latest adjustment could be the final cut, although future moves will depend on incoming economic data. The decision reflects concerns over slowing economic growth, weaker business sentiment, and governance issues related to the flood control controversy. Economic growth eased to 4% in the third quarter, bringing the year-to-date average to 5%, which is below the government's 5.5–6.5% target. Inflation remains subdued, with November's rate at 1.5%, staying below the BSP's target range for nine consecutive months. Analysts remain divided on whether further cuts will follow next year.
[Read the original article]

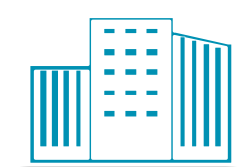
➢ *Price pressures are expected to remain muted, providing scope for additional monetary easing. This flexibility could stimulate demand as markets gradually adjust and borrowing costs reflect policy changes. The process typically unfolds over time but can ultimately boost consumer spending and business confidence.*

❑ *News article cited* ➢ *C&W Philippines Research view*

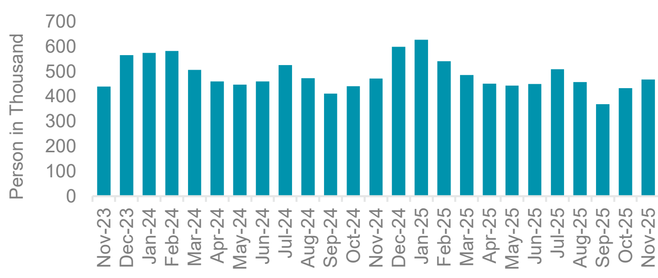
HOSPITALITY

- International arrivals in the country declined by 2.16% from January to November, driven by a drop in visitors from South Korea and China. While South Korea still accounts for the largest share of foreign arrivals at 21.66% (1.134 million), their numbers fell by 21% compared to 1.436 million last year. Similarly, Chinese tourist arrivals decreased by 16.55%. According to Rizal Commercial Banking Corp., these declines may be attributed to political, territorial, and economic volatility in these countries. Nonetheless, tourist arrivals could still rise during the upcoming Christmas season as overseas Filipinos return home. In addition, efforts to develop tourism-related infrastructure—particularly transportation systems and accommodation facilities—are expected to attract more visitors. The depreciation of the peso may also contribute to this improvement, making travel to the Philippines more affordable. Meanwhile, arrivals from the United States, Japan, and Australia increased by 6.57%, 7.77%, and 16.17%, respectively.
[Read the original article]

➢ *Relatively high travel costs, intensifying competition, and concerns over safety and stability are slowing the country's recovery in foreign tourist arrivals. It is essential to diversify tourism offerings beyond traditional attractions and invest in infrastructure upgrades that enhance accessibility and convenience to mitigate these challenges.*



467.9TH Persons Nov 2025 Visitor Arrivals

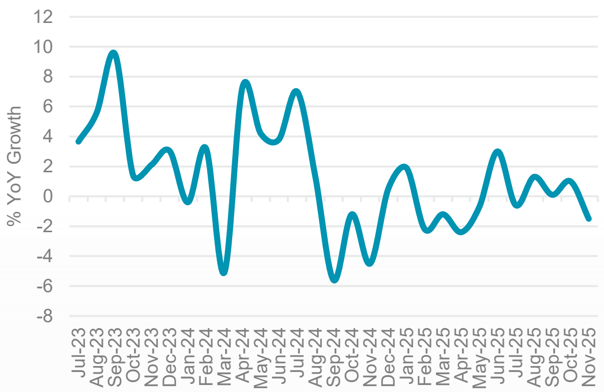


Source: Department of Tourism

❑ *News article cited* ➢ *C&W Philippines Research view*

INDUSTRIAL/LOGISTICS

-1.5% YoY Nov 2025 Volume of Production Index (2018 = 100)



Source: Philippine Statistics Authority

- The computer, electronic, and optical industries drove the expansion of the manufacturing sector in October, as reflected in the Volume of Production Index (VoPI), which grew by 1.4%, 0.6 percentage points higher than September's VoPI. These three industries rose by 18%, a significant increase from the previous 4.2%. Similarly, the pharmaceutical industry surged to 22.6% from 10.6%, while food manufacturing increased by 9%. Among other divisions, beverages (4.9%); other non-metallic mineral products (4.5%); wood, bamboo, cane, rattan articles and related products (15%); other manufacturing and machinery and equipment repair and installation (11%); tobacco (4.9%); leather (19.4%); rubber and plastic (1.5%); furniture (7.3%); textiles (5.5%); and electrical equipment (0.3%) contributed to the increase. On the other hand, printing and reproduction of recorded media (-4.2%); paper (-1.4%); coke and refined petroleum products (-0.8%); wearing apparel (-17.5%); transport equipment (-1%); fabricated metal products (-11.7%); machinery and equipment (-11.3%); chemicals (-24.3%); and basic metals (-23.6%) experienced declines. Despite positive movement in most industries, the average VoPI declined by 0.3% year-to-date.
[Read the original article]

➢ *While the recent uptick in consumer activity and relatively stable inflation have provided some support to the sector, sustaining a broad-based recovery remains challenging, as the manufacturing industry is likely to face persistent headwinds until global demand conditions improve.*

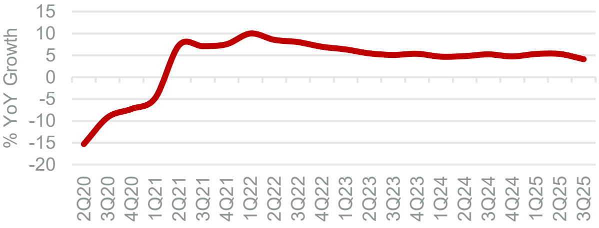
❑ *News article cited* ➢ *C&W Philippines Research view*

RETAIL

- The Philippines experienced its slowest growth in cash remittances since May, as money transfers from abroad to the country grew by only 3% in October, matching May's 2.9% and July's 3%. Union Bank noted that this slow pace is attributed to timing rather than a structural slowdown. Similarly, the slowdown is seen as a precursor to remittances reaching a record high by year-end. This was evident in October, which recorded the highest monthly remittance since July, totaling USD 3.17 billion and USD 29.2 billion from January to October. This increase was driven by the peso reaching the 58-59 level against the dollar, benefiting overseas Filipino workers (OFWs), whose numbers also showed steady growth. Land- and sea-based migrant workers, along with personal remittances, all contributed to the increase. [Read the original article]

➢ *Cash remittances have been a key driver of household spending, significantly supporting household consumption. The recent slowdown in remittance growth could partially dampen discretionary spending, as households become more cautious with non-essential purchases. Nonetheless, retail sales are still expected to rebound, fueled by seasonal factors such as holiday spending and promotional activities.*

4.1 % YoY 3Q 2025 Real Household Spending



Source: Philippine Statistics Authority

❑ *News article cited* ➢ *C&W Philippines Research view*

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