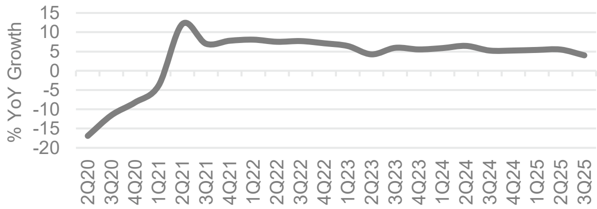
PROPERTY MARKET NEWS

PHILIPPINES

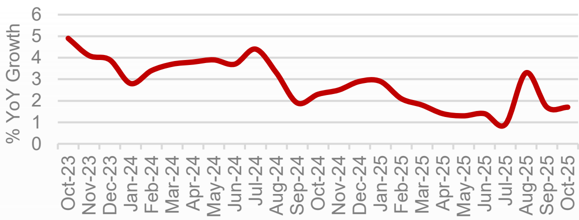
OCTOBER 2025

CUSHMAN & WAKEFIELD

4.0% YoY 3Q 2025 Real GDP



1.7% YoY Oct 2025 Headline Inflation



Source: Philippine Statistics Authority

GENERAL PROPERTY

❑ Global credit rating agencies Moody's Ratings and Fitch Ratings have maintained their moderate credit risk assessment of the country despite the recent controversies involving the flood control scandals in the Philippines. As reported by the Department of Budget and Management (DBM), both agencies remain more optimistic than prevailing local views. They believe that the issues related to the public infrastructure funds will not hinder the country's growth, but rather prompt reforms in government processes. Meanwhile, Fitch's sustained 5.6% 2025 gross domestic product (GDP) growth forecast remain aligned with the government's 5.5% to 6.5% target. The administration is also set to reduce fiscal deficit of 5.5% of GDP by reallocating public funds from flood control infrastructure programs to soft projects with higher multiplier effects, such as hospitals and regional health centers. They also anticipate increase in spending during Q4 as one of the means of fiscal consolidation.
Read the original article

➢ *Political unrest linked to corruption erodes public confidence in government institutions and significantly affects firms in emerging markets, deterring potential investors as such instability is perceived to increase operational risks, compliance costs, and reputational exposure.*

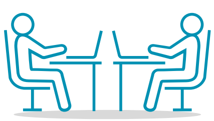
❑ *News article cited* ➢ *C&W Philippines Research view*

OFFICE

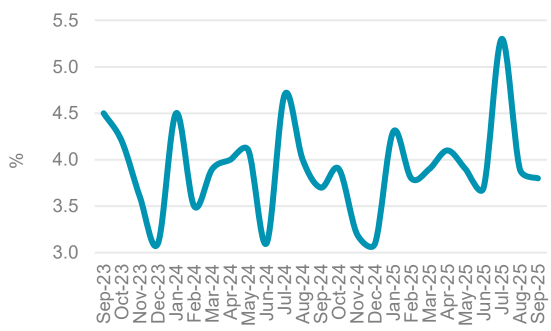
❑ The Filipino talent pool continues to provide the Philippines an advantage in the information technology and business process management (IT-BPM) industry. According to TaskUs, Inc., a US-based outsourcing firm, several factors contribute to this edge, including the workforce's strong work ethic, intelligence, resilience, educational background, and cultural affinity with the West. To continue cultivating the workforce, artificial intelligence (AI) is increasingly viewed as an empowerment tool which enables agents to handle complex transactions and make more informed decisions. By streamlining routine processes and boosting operational efficiency, AI allows both employees and employers to become more impactful to their clients. TaskUs recently opened its 11th Philippine site in Las Piñas City, aiming to hire 1,500 employees by year-end. The location was chosen to be closer to its workforce, as 80% of employees from its Alabang site live in Las Piñas. The Philippines remains TaskUs's largest hub, with over 35,000 team members.
Read the original article

➢ *Artificial Intelligence (AI) has the potential to revolutionize the industry in multiple positive ways. Beyond its promise to enhance operational efficiency through automation, AI can also serve as a catalyst for decentralizing outsourcing jobs. As technology advances, businesses will no longer be constrained to traditional outsourcing hubs. Instead, AI-driven platforms and remote collaboration tools will enable job creation across diverse regional centers.*

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



3.8% Sept 2025 Unemployment Rate



Source: Philippine Statistics Authority

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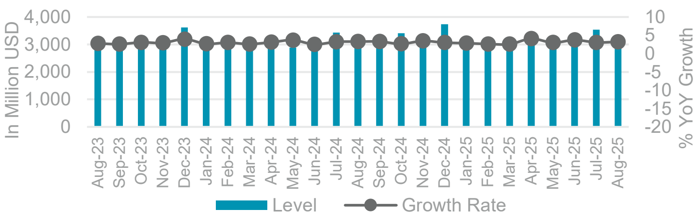
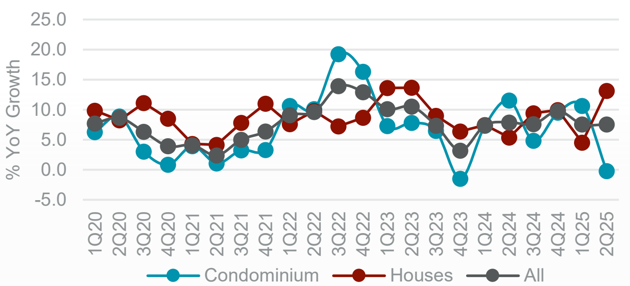
3.2% YoY Aug 2025 OF Personal Remittances



7.5% YoY 2Q 2025 Residential Property Price Index (2019= 100)



Source: Bangko Sentral ng Pilipinas

RESIDENTIAL

- ❑ By 2030, Generation Alpha will make up 27% of the Philippines' population, the highest proportion among Asian markets. Globally, this generation already accounts for around 2 billion people, representing 25% of the world's population. As emerging consumers, they play a pivotal role in driving consumption growth, with spending habits shaped by the behaviors of their Millennial and Gen Z parents. Born into a digital and tech-driven world, Gen Alpha is expected to bolster economic progress. With the Philippines boasting the youngest workforce, having a median age of 25, the country's labor market will drive national industries through innovation, which is regarded as the country's greatest advantage. Next to the Philippines, Malaysia and Vietnam also have a high percentage of Gen Alpha, comprising 21% of their total populations. Continuing this momentum, Asia is set to host half of the global Gen Alpha population by 2030, with major contributions from India, Indonesia, and Mainland China.
  Read the original article

➢ *With deep engagement in digital technology and electronic media, Generation Alpha is expected to drive a major demographic shift that will significantly influence future residential demand. Residential properties catering to this generation's needs are expected to integrate smart systems, advanced connectivity, and interactive features to align with their digital-first lifestyle.*

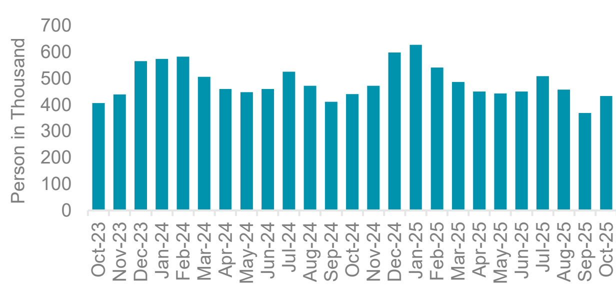
❑ *News article cited* ➢ *C&W Philippines Research view*

HOSPITALITY

- ❑ Premium food and beverage (F&B) offerings are expected to drive the recovery of the Philippines' tourism sector to pre-pandemic levels, as international tourists increasingly seek superior dining experiences. To match 2019 arrival figures, the country must invest heavily in tourism infrastructure and deliver sustainable, high-quality experiences that encourage greater spending, supporting its goal of becoming a top destination in the coming years. A survey by Oxford Economics and the Asia-Pacific International Spirits and Wines Association revealed that 1,278 of 1,800 visitors from East Asia, America, and the UK prioritize F&B quality over cultural sites, while Southeast Asian travelers are willing to spend an additional USD 250 per person per day for premium F&B options. However, value for money remains a key consideration for most travelers, so policymakers should avoid excessive price increases to prevent visitors from opting for less premium alternatives. This approach will allow the tourism industry to cater to diverse income levels while maintaining competitiveness.
  Read the original article

➢ *Tourism activities are evolving as travelers increasingly seek distinctive, standalone experiences rather than traditional offerings. In this context, food and beverage experiences play a crucial role in enhancing the overall journey by creating opportunities that significantly impact holistic consumer satisfaction.*

432.9TH Persons Oct 2025 Visitor Arrivals



Source: Department of Tourism

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

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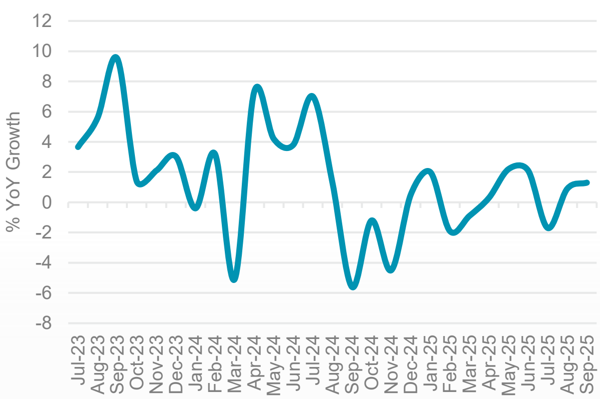
INDUSTRIAL/LOGISTICS

▲ 1.3% YoY

Sep 2025 Volume of Production Index (2018 = 100)



Source: Philippine Statistics Authority

- ❑ To strengthen economic cooperation and enhance resilience, the Association of Southeast Asian Nations (ASEAN) and China have signed the ACFTA (ASEAN-China Free Trade Area) 3.0 Upgrade Protocol. This upgraded agreement not only lowers tariffs and improves the flow of goods, services, and investments but also expands its scope to include emerging areas such as digital transformation, logistics coordination, competition and consumer protection, and support for micro, small, and medium enterprises (MSMEs). According to the Philippine Department of Foreign Affairs (DFA), ACFTA 3.0 aims to make the regional alliance more adaptable to today's global challenges. ASEAN, with a combined GDP of USD 3.8 trillion, remains China's largest trading partner, recording USD 771 billion in trade in 2024. Looking ahead, Beijing views the deepening of this partnership as a strategic response to U.S. protectionist measures, including a 30% tariff on Chinese goods, and as a means to expand its regional influence and economic foothold. Read the original article

- ➢ *Fostering a conducive regional environment for fair and open trade will help the region withstand U.S. protectionist measures by diversifying trade partnerships and reducing reliance on the U.S. This deeper integration also mitigates the impact of U.S. tariffs while enhancing competitiveness and economic resilience across ASEAN and China.*

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

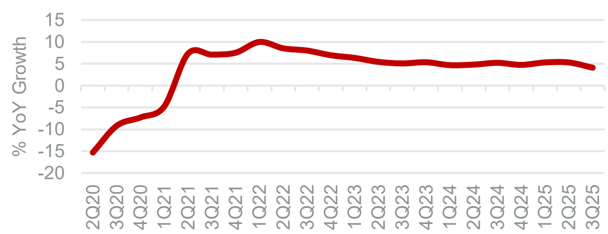
RETAIL

- ❑ Due to negative public perception stemming from global uncertainties and financial fluctuations, foreign direct investment (FDI) levels this year are lagging behind the USD 9.4 billion recorded in 2024. Based on BSP data, net FDI was down by 7.5% as of end-July, with inflows totaling USD 4.7 billion, a 20% decline compared to USD 5.9 billion during the same period last year. This slowdown is expected to persist into 2026, with BSP projecting USD 8 billion, 14.89% lower than the previous year. According to Angelo Taningco, chief economist at Security Bank Corp., higher U.S. tariffs and domestic governance issues, such as those surrounding flood control projects, are key factors restraining inflows. Japan remains the top investor in the Philippines, accounting for 89% of net FDI, followed by the U.S. at 8%, with 73% of these investments directed toward wholesale and retail sectors. Overall, foreign investments were distributed across manufacturing (36%), wholesale and retail trade (30%), and real estate (15%). Read the original article

- ➢ *Persistent trade tensions, geopolitical risks, and regional conflicts are expected to continue weighing on global investment flows, mirroring the slowdown in FDI in the Philippines amid ongoing investor caution. This ripple effect extends across sectors, including global retail.*

▼ 4.1 % YoY

3Q 2025 Real Household Spending



Source: Philippine Statistics Authority

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

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