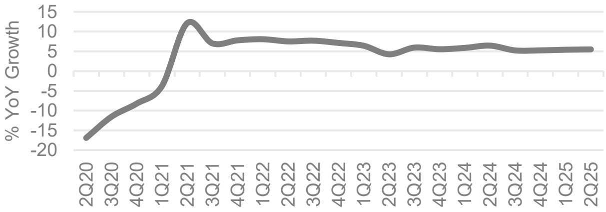
PROPERTY MARKET NEWS

PHILIPPINES

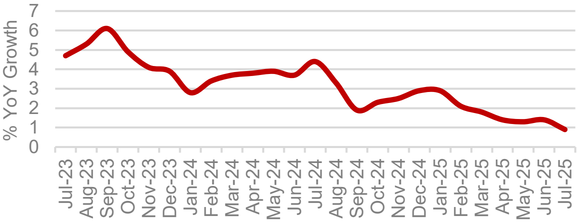
JULY 2025

CUSHMAN & WAKEFIELD

5.5% YoY 2Q 2025 Real GDP



0.9% YoY Jul 2025 Headline Inflation



Source: Philippine Statistics Authority

GENERAL PROPERTY

❑ The Asian Development Bank (ADB) has revised its economic growth forecast for the Philippines, lowering its 2025 GDP projection from 6% to 5.6%, and its 2026 estimate from 6.1% to 5.8%. This adjustment reflects the impact of a global economic slowdown and increased U.S. tariffs. Similarly, the ASEAN+3 Macroeconomic Research Office (AMRO) reduced its growth outlook for the Philippines to 5.6% in 2025 and 5.5% in 2026, down from its earlier forecast of 6.3% for both years. AMRO also cut its growth projections for the broader ASEAN region to 4.4% in 2025 and 4.2% in 2026, from 4.7% previously. Despite these downgrades, AMRO still expects the Philippines to be the second-fastest growing economy in ASEAN, following Vietnam. This optimism is driven by resilient domestic consumption, a stable labor market, easing inflation, and strong remittance inflows. On inflation, AMRO lowered its 2025 forecast for the Philippines to 1.8%, slightly above the Bangko Sentral ng Pilipinas' (BSP) 1.6% projection. For 2026, AMRO maintained its inflation estimate at 3.2%, which remains below BSP's 3.4% target.
Read the original article

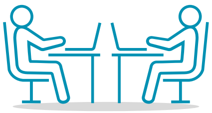
➢ *Despite softer regional growth, the Philippines offers a strategic investment window. Easing inflation, declining rates, and resilient domestic demand support attractive risk-adjusted returns—especially in commercial real estate with strong long-term potential. Investors, developers, and occupiers across office, retail, and industrial can leverage current conditions to optimize portfolios, secure favorable financing, and lock in quality space ahead of the next upcycle.*

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

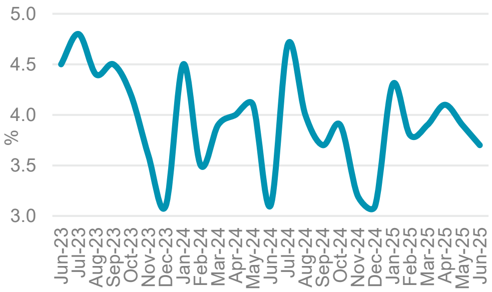
OFFICE

❑ Following the launch of its USD 4 million facility in Mandaluyong, Metro Manila, Fusion CX is planning to expand further into Mindanao. The company aims to grow its workforce to 5,000 by mid-2026 as part of its broader strategy to scale operations in the Philippines. According to Pankaj Dhanuka—Fusion CX's cofounder, chair, managing director, and CEO—the Philippines is viewed not only as a service delivery hub but also as a key driver of global customer experience (CX) growth. He emphasized the company's confidence in the country's talent pool and its commitment to countryside development. Fusion CX is considering opening another site in Mindanao to strengthen its national footprint. The Mandaluyong hub features advanced infrastructure, including an AI solutions command center, multichannel delivery zones, and collaborative workspaces. It currently houses over 500 CX professionals across 836 seats, with room for expansion. Prior to this, Fusion CX invested USD 500 million in a 275-seat facility in Legazpi City, Albay. Headquartered in Kolkata, India and Atlanta, USA, the company supports clients in 25 languages and serves over 190 global businesses across sectors such as telecommunications, finance, healthcare, retail, and technology.
Read the original article

➢ *Expansion outside of the main CBDs signals purposeful decentralization: stronger infrastructure, skilled regional labor, and materially lower setup and operating costs than major CBDs. Advanced facilities outside Metro Manila unlock cost-efficient resources and under-tapped talent, improving margins and scalability. For investors, developers, and office occupiers, these locations offer compelling risk-adjusted returns and operational resilience, positioning portfolios for efficient growth across the Philippines.*



3.7% Jun 2025 Unemployment Rate



Source: Philippine Statistics Authority

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

PROPERTY MARKET NEWS

PHILIPPINES

JULY 2025

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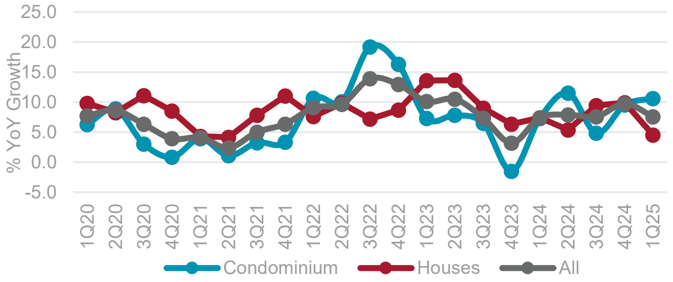
RESIDENTIAL

3.0% YoY

May 2025 OF Personal Remittances

7.6% YoY

1Q 2025 Residential Property Price Index (2019= 100)



Source: Bangko Sentral ng Pilipinas

❑ A real estate strategist is encouraging developers and investors to tap into the Philippines' expanding rental market, which is being reshaped by rising demand for professional rental management services. Rentals are no longer seen as a secondary option but as a vital force driving liquidity, accessibility, and flexibility in today's property landscape. Rent.ph, a platform specializing in rental management, has rapidly expanded nationwide, supported by a network of over 4,500 trained rent managers. These professionals oversee thousands of listings, ranging from residential and commercial properties to unique spaces like highway billboards and high-rise condos. In the first half of 2025 alone, Rent.ph managed 5,900 active units, highlighting the growing preference for structured rental solutions. As the market adjusts to higher interest rates, evolving work setups, and changing buyer preferences, rental demand is surging in regional growth centers and tourist destinations. Platforms like Rent.ph are stepping in to replace informal leasing practices, offering greater transparency and accountability for both landlords and tenants. This shift signals a broader transformation in the real estate sector, where rentals are becoming a strategic asset rather than a fallback. *Read the original article*

➢ *Hybrid work and elevated inventory are reshaping rental demand. Central locations are losing momentum, while investors and developers are finding stronger absorption in larger, more affordable suburban stock. Consider reallocating capital toward build-to-rent, horizontal communities, and mid-market condos in growth corridors, where pricing power, longer tenancies, and diversified renter profiles support resilient yields and lower vacancy risk.*

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

HOSPITALITY

❑ Despite slow tourist arrivals, hotel owners in the Philippines remain optimistic and continue investing in property expansion and brand development. At Philippine Hotel Connect 2025, Alliance Global Group Inc. (AGI) backed government infrastructure and visa reforms, launching its luxury brand Narra Palms in Newport City, with plans to expand to Boracay and Cebu. AGI targets 10,000 room keys by year-end and 12,000 by 2028. Filinvest Hospitality Corp. (FHC) announced 2,000 new rooms, including projects in Mactan, Clark, and Baguio. Ayala Land Hospitality (ALH) is investing USD 500 million over five years to diversify offerings and launch its own luxury brand. Despite current challenges, the industry is preparing for a projected 10–12 million international arrivals by 2028, requiring over 456,000 hotel rooms, signaling strong confidence in tourism recovery. *Read the original article*

➢ *Investor confidence in hotels signals sustained tourism recovery. Realizing this growth hinges on government-led infrastructure—especially airport upgrades and road networks—that expands access to mature and emerging destinations. These projects are critical demand enablers, de-risking current capital and underpinning planned developments. For investors and developers, aligning timelines with infrastructure pipelines will optimize market entry, asset performance, and exit outcomes.*

450.5TH Persons

Apr 2025 Visitor Arrivals

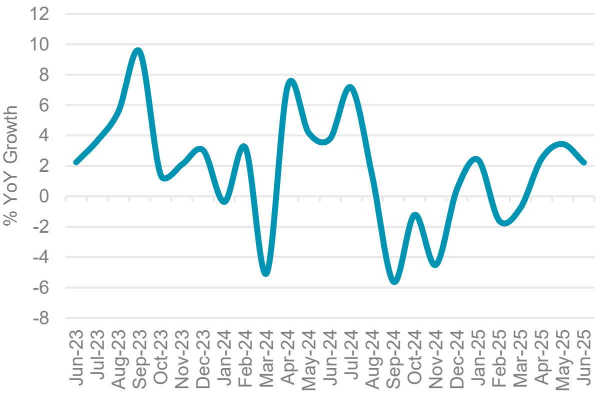
Source: Department of Tourism

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

INDUSTRIAL/LOGISTICS

▼ 2.2% YoY

Jun 2025 Volume of Production Index (2018 = 100)



Source: Philippine Statistics Authority

❑ The Board of Investments (BoI) is currently reviewing 30 manufacturing project applications, collectively valued at PHP 33.54 billion. The projects submitted all necessary forms and documents, indicating a strong intent to proceed. The BoI is now in the “checklisting” phase, where it verifies the completeness of the submitted information. As of July 14, these projects are under evaluation and are expected to create 1,668 jobs. From January to June, the BoI approved 14 manufacturing projects worth PHP 26.63 billion—an increase of 165.08% compared to the PHP 10.05 billion approved during the same period last year. These approved projects are projected to generate 5,725 jobs. According to the Philippine Statistics Authority, the manufacturing sector grew by 4.9% in May, reflecting strong economic activity and increased employment opportunities. Additionally, the S&P Global Philippines Manufacturing Purchasing Managers’ Index rose to 50.7 in June from 50.1 in May, signaling improvement. The BoI see this growth as a driver of national economic progress and job creation. However, concerns remain over global trade uncertainties, particularly due to U.S. tariff policies, which may affect export-oriented investments and slow down new capital inflows until market conditions stabilize.
[Read the original article]

➢ *Investor caution is warranted amid rising risks. Uncertain U.S. tariff policy now applies a 19% rate to select Philippine exports, erasing prior ASEAN advantages. With tariff incentives constrained, competitiveness must shift to non-tariff levers: modern logistics and transport infrastructure, skilled labor pipelines, and predictable, efficient regulation—key for institutional buyers, global manufacturers, and developers seeking high-quality, globally competitive industrial capacity.*

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

RETAIL

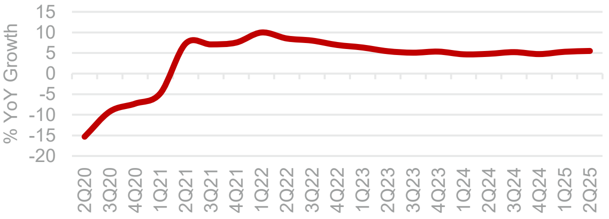
❑ The Bangko Sentral ng Pilipinas (BSP) has warned that the newly approved U.S. remittance tax could slightly reduce the Philippines’ remittance growth by up to 0.5 percentage point. However, this estimate is still preliminary and may change depending on how senders respond. BSP noted that some remitters might choose to shoulder the tax themselves, ensuring that recipients still receive the full amount. The central back forecast in remittances to grow by 2.8% for 2025 and 3% in 2026. The U.S. recently enacted the “One Big Beautiful Bill,” which imposes a 1% excise tax on outbound remittances starting January 1, 2026. Initially proposed at 3.5%, the final rate is lower but now applies to all senders, not just non-citizens. The most recent data suggests the U.S. accounts for over 40% of total remittances to the Philippines. The Department of the newly implemented tax could affect approximately 12.8% of the Philippines’ annual remittance inflows, translating to an estimated USD 1.9 billion out of the projected USD 36.5 billion from the United States in 2026. Remittances are vital for Filipino households, often funding essential needs like education, healthcare, and housing.
[Read the original article]

➢ *Despite the new 1% U.S. remittance tax, consumer spending in remittance-dependent households should remain resilient. Easing inflation is increasing real purchasing power, which is poised to lift retail sales and sustain the sector’s recovery. For investors and developers, this indicates supportive demand fundamentals, improving cash flows, and a constructive near-term outlook across retail formats.*

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

▲ 5.5 % YoY

2Q 2025 Real Household Spending



Source: Philippine Statistics Authority

CUSHMAN & WAKEFIELD

Contacts

Claro dG. Cordero Jr., MSc
Director & Head
Research, Consulting & Advisory Services
m: +63 998 518 5158
e: Claro.Cordero@cushwake.com

CUSHMAN & WAKEFIELD PHILS., INC.
11th Floor Ecotower, 32nd Street corner 9th Avenue
Bonifacio Global City, Taguig City, Metro Manila
Philippines 1630
t: +63 2 8554 2926
cushmanwakefield.com

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