PROPERTY MARKET NEWS

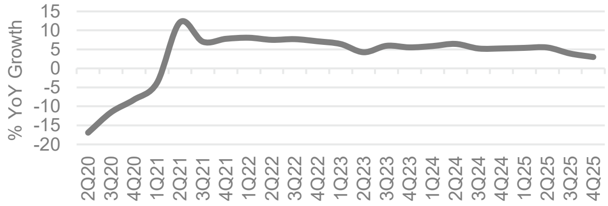
PHILIPPINES

CUSHMAN & WAKEFIELD

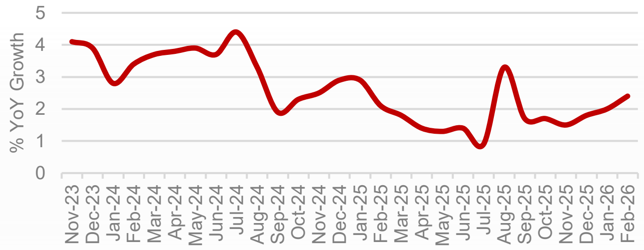
FEBRUARY 2026

GENERAL PROPERTY

3.0% YoY 4Q 2025 Real GDP



2.4% YoY Feb 2026 Headline Inflation



Source: Philippine Statistics Authority

- ❑ A report by PwC underscores a strategic shift among Asia-Pacific firms, with 37% of CEOs planning to expand beyond their core sectors within the next three years. This signals a move toward business model reinvention as companies pursue growth opportunities in adjacent industries such as technology, healthcare, logistics, and financial services. The trend is driven by structural forces, including rapid digital transformation, climate-related pressures, geopolitical uncertainty, and shifting consumer preferences. Despite this outward-looking strategy, near-term sentiment remains cautious. Many organizations remain constrained by short-term operational demands, limiting their ability to fully commit to long-term transformation initiatives. [Read the original article]

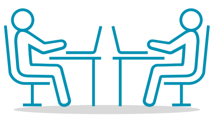
- ➢ *For investment priorities to continue aligning with global trends, the local market should be conducive to ensuring long-term viability, prioritizing structural changes to remain competitive, as investors are increasingly focused on sectors offering clear growth opportunities and resilience against economic uncertainties.*

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

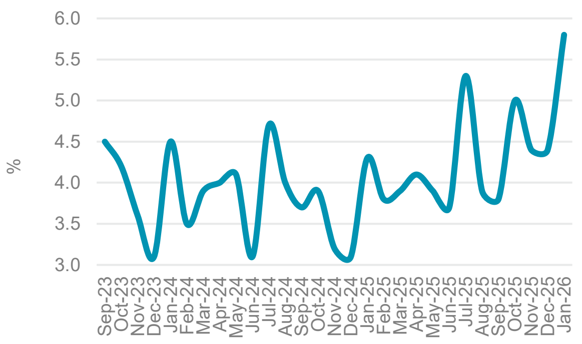
OFFICE

- ❑ The IT and Business Process Association of the Philippines (IBPAP) has cautioned that the country's IT-BPM sector may face job losses and possible contraction if persistent structural challenges are not addressed. While the industry remains a key driver of employment and economic growth, the uneven implementation of regulations, particularly the continued imposition of local taxes and fees by some LGUs despite national incentives granted to registered firms, threaten its competitiveness. These inconsistencies, along with overlapping compliance requirements, create uncertainty for investors, and can significantly increase business costs relative to regional competitors. Growing cybersecurity risks and gaps in legal protections that could undermine client trust also pose a concern. Meanwhile, the rapid adoption of AI presents both opportunities and disruptions, particularly for entry-level roles vulnerable to automation. Although reskilling initiatives are underway, they currently reach only a limited portion of the workforce. [Read the original article]

- ➢ *Despite strong industry fundamentals, challenges like regulatory friction, rising costs, and AI-driven workforce disruption demand urgent action. Consistent regulations, predictable taxes, and streamlined compliance can stabilize costs, while reskilling employees for high-value tasks is essential to mitigate automation risks and maintain service relevance.*



4.4% Feb 2026 Unemployment Rate



Source: Philippine Statistics Authority

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

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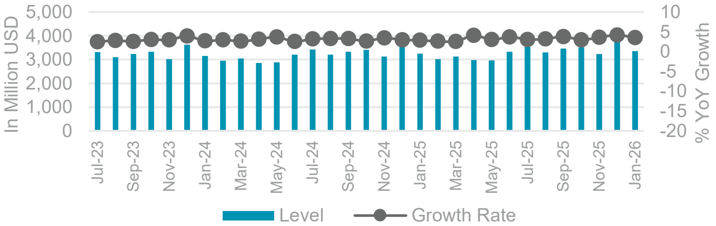
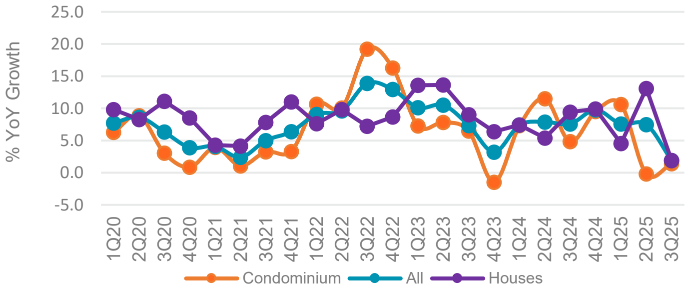
3.6% YoY Jan 2026 OF Personal Remittances



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



Source: Bangko Sentral ng Pilipinas

RESIDENTIAL

- ❑ The BSP has reduced its key policy rate by 25 basis points to 4.25%, marking its sixth consecutive cut as it shifts toward supporting economic activity amid a slowing growth environment. The cumulative easing, amounting to 225 basis points since 2024, signals a clear pivot toward stimulating domestic demand and investment as momentum weakens. The decision follows softer-than-expected economic performance, with growth decelerating in late 2025 and falling short of official targets. In response, the BSP also revised its growth outlook downward. Policymakers highlighted declining business and consumer confidence as a key constraint on recovery. Inflation, however, remains within the central bank's target range, providing room to sustain an accommodative stance. Still, the policy outlook remains data-dependent, with future rate decisions hinging on both the pace of economic recovery and the evolution of inflationary pressures.
  Read the original article

- ➢ *which consumer confidence rebounds. Despite this, buyers are consistently prioritizing affordable and mid-market housing segments, reflecting cautious spending habits. The recent policy rate cuts are expected to support this trend and contribute to long-term market stability.*

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

HOSPITALITY

- ❑ Economic managers are hopeful that this year's growth will improve due to slowing inflation, improving consumption, and rising investments. Other economic indicators remain steady, interest rates may be lowered further given that inflation is low, and foreign investments in the Philippines are rising, according to the Asian Development Bank. They added that "recovery in public investments" will be the main factor in improving the country's economy. The World Bank, however, reduced its economic growth projection through 2027 due to domestic issues. A recovery in government and private investments could slowly improve Philippine economy with growth expected to bounce back this year. The strength of this recovery will depend on how well the government executes its planned projects using public resources. Despite progress in poverty reduction, one in four Filipinos remains vulnerable. Creating quality jobs in globally competitive industries is crucial for economic growth and middle-class expansion.
  Read the original article

- ➢ *Government investment in infrastructure is vital for revitalizing tourism, particularly high-value segments like MICE (Meetings, Incentives, Conferences, and Exhibitions). Improved connectivity, modern venues, and urban upgrades can attract global events and business travelers, strengthening the sector's economic impact and positioning the Philippines as a premier MICE destination.*

692.5TH Persons Jan 2026 Visitor Arrivals

Source: Department of Tourism

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

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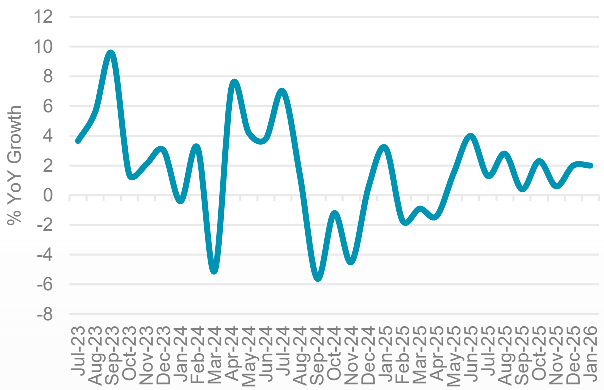
INDUSTRIAL/LOGISTICS

2.0% YoY

Jan 2026 Volume of Production Index (2018 = 100)



Source: Philippine Statistics Authority

- ❑ The Philippines is pursuing an ambitious expansion of its data center industry, with total capacity projected to reach up to 18 gigawatts (GW) over the next decade. From a modest base of roughly 200 megawatts (MW), capacity is expected to accelerate significantly, potentially surpassing 1 GW in the near term and reaching around 1.5 GW by 2028, which will be driven by strong private sector investment and a growing pipeline of hyperscale and colocation facilities. This rapid buildout reflects surging demand for digital infrastructure fueled by cloud computing, artificial intelligence, fintech, and e-commerce. It also aligns with the country's broader goal of positioning itself as a regional digital hub capable of serving not only domestic needs, but also international markets across ASEAN and beyond. The Philippines' geographic location, expanding fiber connectivity, and young, tech-enabled workforce further support this ambition. However, industry stakeholders emphasize that growth must translate into tangible local benefits, including lower latency, improved service reliability, enhanced data security, and more competitive pricing for digital services.
[Read the original article]

➢ *The Philippines' data center industry is set for rapid expansion, but increasing land costs in Metro Manila's outskirts and unreliable power supply in provincial areas pose major obstacles. Addressing these challenges will require strategic public investments in infrastructure, particularly in stabilizing energy grids.*

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

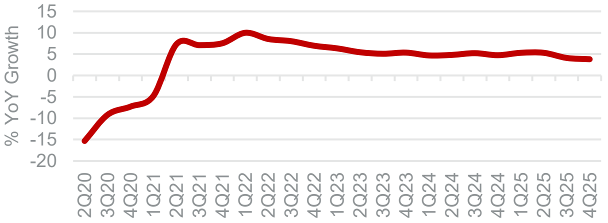
RETAIL

- ❑ The BSP has signaled that the Philippines may fall short of its digital payment targets, citing slower-than-anticipated progress toward a cash-lite economy. Although digital transactions have expanded substantially, now accounting for more than half of total retail payments, the current pace may be insufficient to achieve the government's goal of digitalizing 60% to 70% of transactions within the intended timeframe. A major constraint lies in broadening adoption, particularly among underserved and less digitally connected populations. While certain segments, such as government-related transactions, have seen strong uptake, usage remains uneven across individuals and businesses, with many firms still lagging in digital integration. This points to persistent structural barriers, including limited access to digital infrastructure, affordability concerns, and gaps in financial and digital literacy. The BSP also underscored the need to strengthen enabling conditions, such as reducing transaction costs, improving system interoperability, and enhancing cybersecurity to build user trust.
[Read the original article]

➢ *Empowering Gen Z will drive faster growth in digital payments. Efforts to boost digital literacy and develop financial products tailored for younger users can leverage their familiarity with mobile technology. Building systems that match their digital preferences will increase transactions and support a more robust digital economy in the Philippines.*

3.8 % YoY

4Q 2025 Real Household Spending



Source: Philippine Statistics Authority

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

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