PROPERTY MARKET NEWS

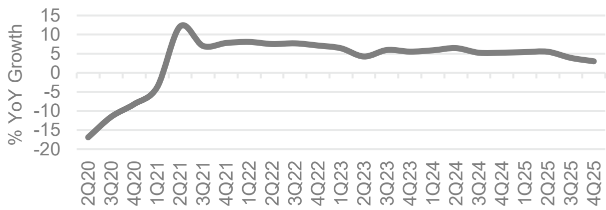
PHILIPPINES

JANUARY 2026

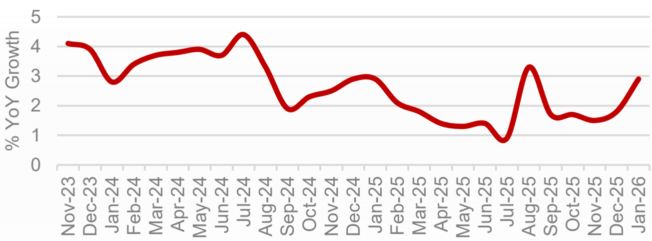
CUSHMAN & WAKEFIELD

GENERAL PROPERTY

3.0% YoY 4Q 2025 Real GDP



2.9% YoY Jan 2025 Headline Inflation



Source: Philippine Statistics Authority

❑ The national government has introduced a set of "big, bold reforms" aimed at restoring investor confidence and strengthening investment momentum following the economic slowdown recorded in 2025. These initiatives were presented during the "Big Bold Reforms: The Philippines 2026", which sought to reinforce optimism and reaffirm the Philippines' long-term economic potential. Despite recent challenges, the administration maintained its position that the country's macroeconomic fundamentals remain sound, supported by stable policies, a resilient financial environment, and a competitive workforce. Economic managers outlined reforms designed to improve the ease of doing business by reducing regulatory costs, enhancing infrastructure, and promoting a more efficient investment climate. Among the key measures announced were the implementation of a digital, risk-based tax audit system, tighter controls on audit discretion, and the rollout of a National Single Window platform to streamline trade procedures. The government also encouraged private sector participation in maximizing opportunities arising from the Philippines' Asean chairmanship.
[Read the original article]

➢ *While the long overdue and large scale reform agenda is an important step toward revitalizing investment inflows, especially as the Philippines continues to lose ground to nearby alternatives such as Vietnam and Thailand, its success will depend on addressing more immediate challenges. In the short to medium term, resolving the corruption scandals that have significantly damaged investor confidence is essential to giving these reforms a credible foundation and enabling their effective implementation.*

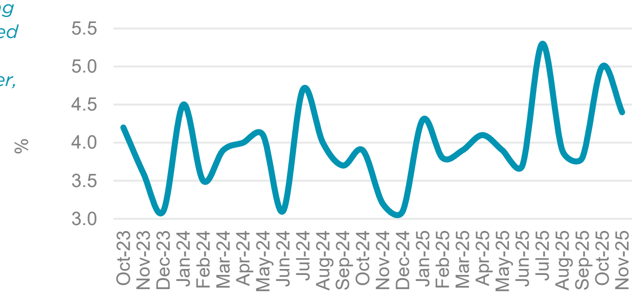
❑ *News article cited* ➢ *C&W Philippines Research view*

OFFICE

❑ The 2026 outlook for the information technology and business process management (IT-BPM) industry remains positive, despite headwinds that continue to create uncertainty for growth. The IT & Business Process Association of the Philippines (IBPAP) noted that geopolitical and macroeconomic challenges in 2025 dampened investor confidence, thereby contributing to variability in the 2026 forecast. Even so, industry performance in 2025 aligned with the initial roadmap targets — achieving 5% growth in export revenues (USD 40 billion) and a 4% increase in employment (1.9 million workers). Looking ahead, hurdles in ease of doing business, talent availability, and access to financing may pose risks. Nevertheless, global capability centers (GCCs), such as JPMorgan Chase, are expected to serve as key growth drivers.
[Read the original article]

➢ *Talent development has become a strategic imperative for the BPO industry as it seeks to achieve its growth targets and safeguard its global market position. This need is further intensified by rising competition from Southeast Asian markets, particularly Vietnam, Malaysia, and Indonesia, which are rapidly expanding their outsourcing capabilities and attracting increased investor interest. As competition from regional peers grows stronger, the industry risks losing market share not only to these emerging neighbors but also to established players such as India, unless it continues to invest heavily in developing and upgrading its workforce.*

4.4% Dec 2025 Unemployment Rate



Source: Philippine Statistics Authority

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

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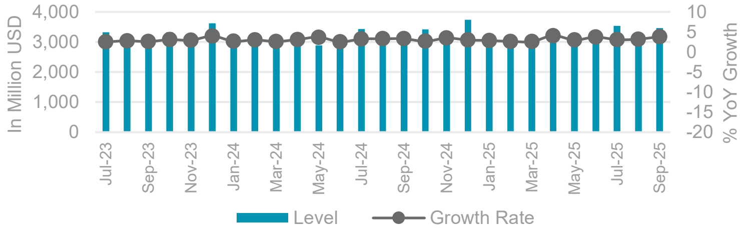
RESIDENTIAL

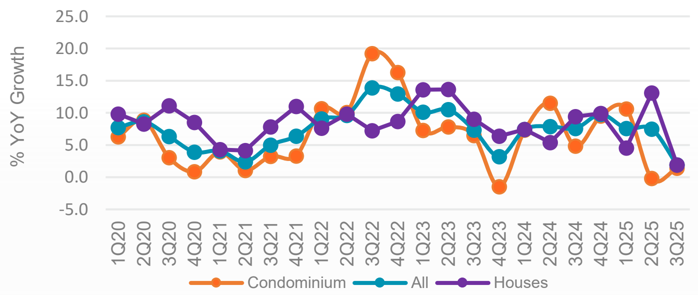
- The Philippines is projected to sustain an average annual population growth rate of 0.85% between 2020 and 2035. This translates to an increase of 14.76 million people, raising the population from 109.20 million in 2020 to approximately 124 million by 2035, according to the Philippine Statistics Authority (PSA). By then, the demographic composition is expected to include around 62.64 million males (50.5%) and 61.32 million females (49.5%). Regionally, CALABARZON will maintain its position as the most populous area with 19.07 million residents in 20230, followed by the National Capital Region (14.49 million) and Central Luzon (14.02 million). In contrast, the Cordillera Administrative Region (CAR) is projected to remain the least populated, with about 2.13 million residents. On a granular level, Cavite is projected to top the ranking with 5.30 million. Next to it is Bulacan (4.17 million), Rizal (3.88 million), Quezon City (2.92 million), Davao City (2.04 million) and Manila (1.90 million).
  [Read the original article]

➢ *As population growth continues in Metro Manila's peripheral urban areas, particularly in provinces such as Cavite and Bulacan, these locations are expected to see continued increases in residential demand. The movement of people toward these areas is driven by several factors, including ongoing infrastructure development and improving transport connectivity to capital region's core. This trend will reinforce the sustained development of suburban communities in other locations and prompt developers to respond to the need for diverse residential options that can accommodate expanding households, with a focus on affordability and strategic location.*

3.6% YoY Nov 2025 OF Personal Remittances



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



Source: Bangko Sentral ng Pilipinas

- *News article cited*

➢ *C&W Philippines Research view*

HOSPITALITY

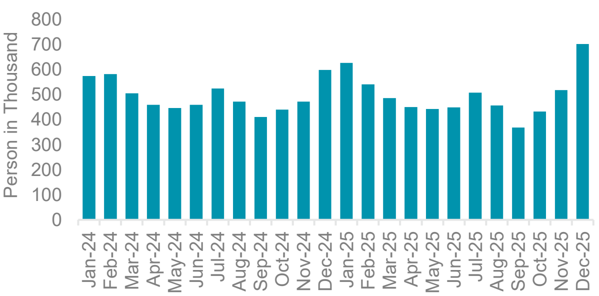
- The incumbent administration has reaffirmed its commitment to advancing regional economic growth and development, while simultaneously enhancing mobility by addressing critical infrastructure gaps. In collaboration with the private sector, this initiative is primarily directed toward the establishment of world-class aviation infrastructure, envisioned to expand opportunities for Filipinos and elevate the country's airports to global standards. Implementation is already underway, with ongoing improvements at Laguindingan Airport in Misamis Oriental and the Bohol-Panglao International Airport, aimed at strengthening capacity and service quality for both domestic and international travelers. Alongside upgrading provincial airports is also the modernization in operations and maintenance of the Manila Airport, which is also under a public-private partnership.
  [Read the original article]

➢ *While regional counterparts benefit from more developed tourism infrastructure that supports a larger share of regional arrivals, the needed upgrades in the local market are not expected to materialize in the short term. In the meantime, competitiveness can be strengthened by diversifying tourism offerings through additional adventure activities and richer visitor experiences. Enhancing facilities and services to improve the overall visitor experience is also necessary, while aligning with competitor strategies such as shifting toward high value tourism aimed at drawing higher spending from travelers will significantly support industry growth.*

- *News article cited*

➢ *C&W Philippines Research view*

702.9TH Persons Dec 2025 Visitor Arrivals



Source: Department of Tourism

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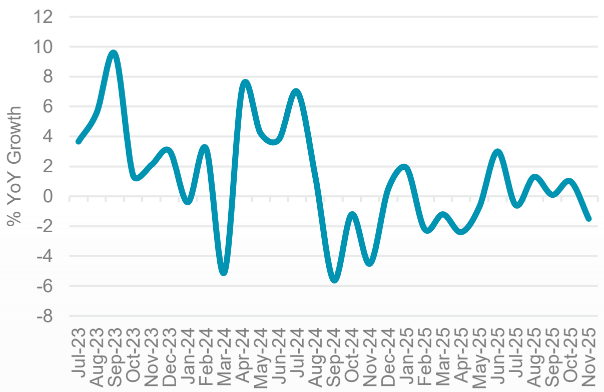
INDUSTRIAL/LOGISTICS

1.0% YoY Dec 2025 Volume of Production Index (2018 = 100)



Source: Philippine Statistics Authority

- ❑ The Philippine peso extended its decline against the US dollar as weaker domestic economic performance weighed on investor sentiment. The currency closed at PHP 58.9 per dollar. The pressure on the peso indicates that economic growth once again fell short of official targets in 2025. GDP expanded by only 3% in the fourth quarter, marking a sharp decline from both the preceding quarter and the comparable period in 2024. This represented the slowest quarterly expansion in nearly five years, excluding the pandemic downturn, and was similar of growth levels last observed during the global financial crisis. Authorities attributed the slowdown to reduced government spending and subdued investor confidence, partly linked to a corruption controversy involving flood control and infrastructure projects. External factors also contributed to currency weakness, such as the possibility of the policy rates remaining elevated for an extended period amid continued resilience in the US economy.
[Read the original article](#)

- ➢ *While a strengthening US dollar may encourage foreign direct investment, given that the United States remains one of the Philippines' leading sources of FDI next to Japan, uncontrolled exchange rate depreciation can have the opposite effect. Persistent currency declines, especially when linked to weak macroeconomic conditions, signal instability, elevate operational risks, and discourage long term capital commitments that are essential for sustaining investor confidence.*

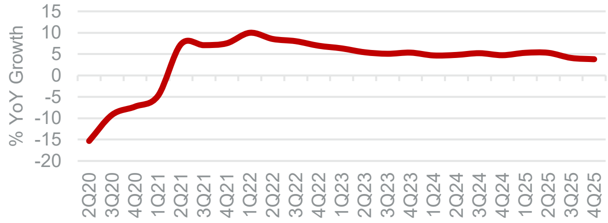
❑ *News article cited* ➢ *C&W Philippines Research view*

RETAIL

- ❑ The World Economic Forum's (WEF) Global Risks Report 2026 identifies a shortage of employment opportunities as the foremost concern among Philippine business leaders. This finding underscores apprehensions that the pace of economic expansion might be inadequate to absorb the labor force over the next two years. Ranked second are deficiencies in public services and social protection systems, with persistent gaps in education, infrastructure, and pension provision. Additional risks include the proliferation of misinformation and disinformation, artificial intelligence, and inflationary pressures. Concerns regarding employment are closely linked to the country's recent economic deceleration, attributable to reduced government expenditure that has weakened aggregate demand. This slowdown has constrained job creation and led to business closures, particularly among MSMEs, thereby exacerbating unemployment. Between January and November 2025, the national unemployment rate averaged 4.19% (2.25 million unemployed Filipinos) compared with 3.9% during the same period in 2024.
[Read the original article](#)

- ➢ *The combined effects of rising unemployment and broader geopolitical uncertainties are seen to create a climate of economic anxiety among consumers. Aside from reducing discretionary spending in the short term, these conditions are also expected to slow growth across key sectors such as retail and real estate in the medium term, resulting in more challenging conditions for industries that rely heavily on consumer demand.*

3.8 % YoY 4Q 2025 Real Household Spending



Source: Philippine Statistics Authority

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

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