



JONES LANG
LASALLE® LEECHIU

Real value in a changing world

Real Estate

Market Overview

30 September 2009

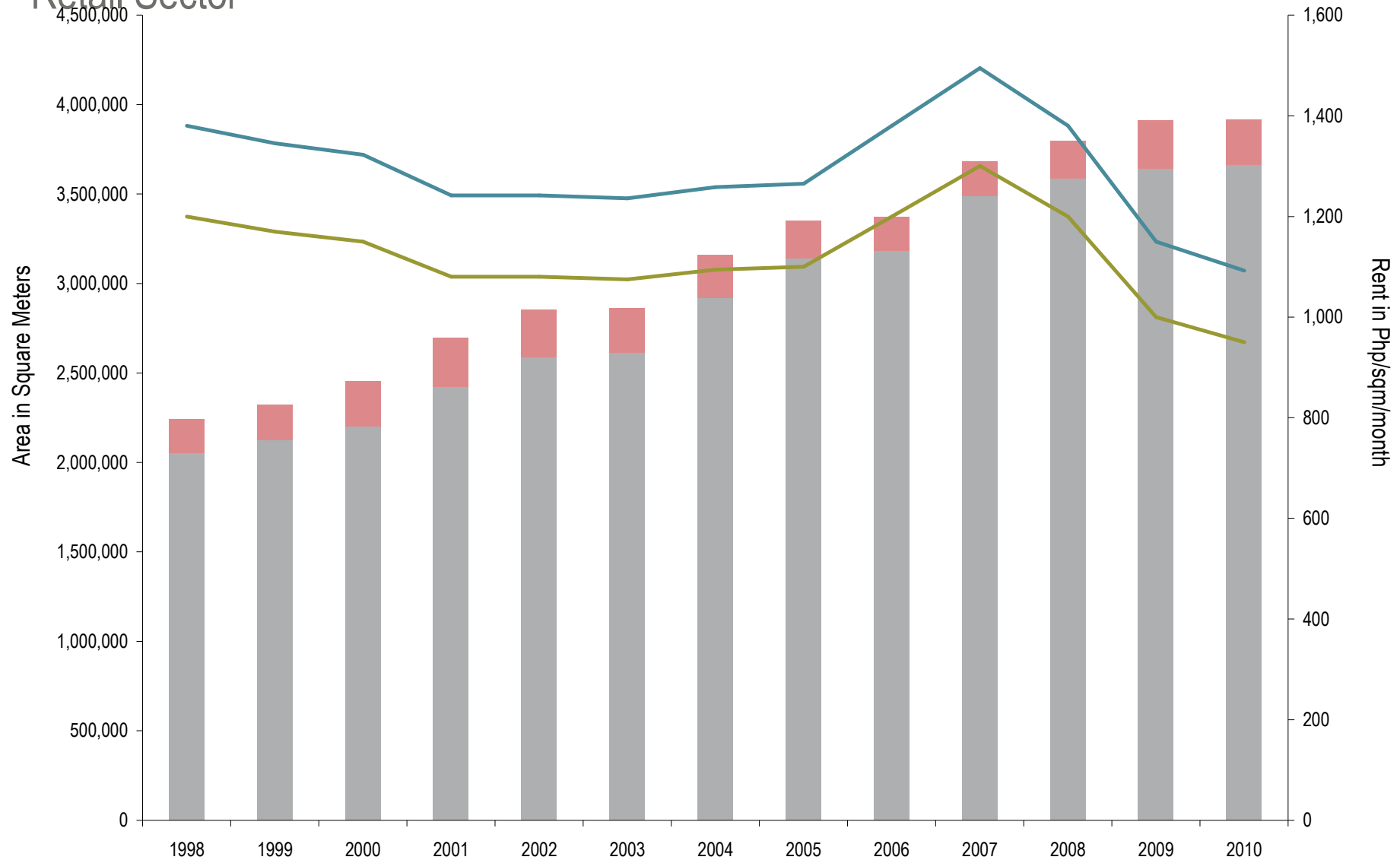


Outline

- Market Overview: Retail, Residential, Office
- Philippine Economic Overview
- Market Overview: BPO
- Tourism and Hotel Overview
- Jones Lang LaSalle Leechiu: Who We Are, What We Do

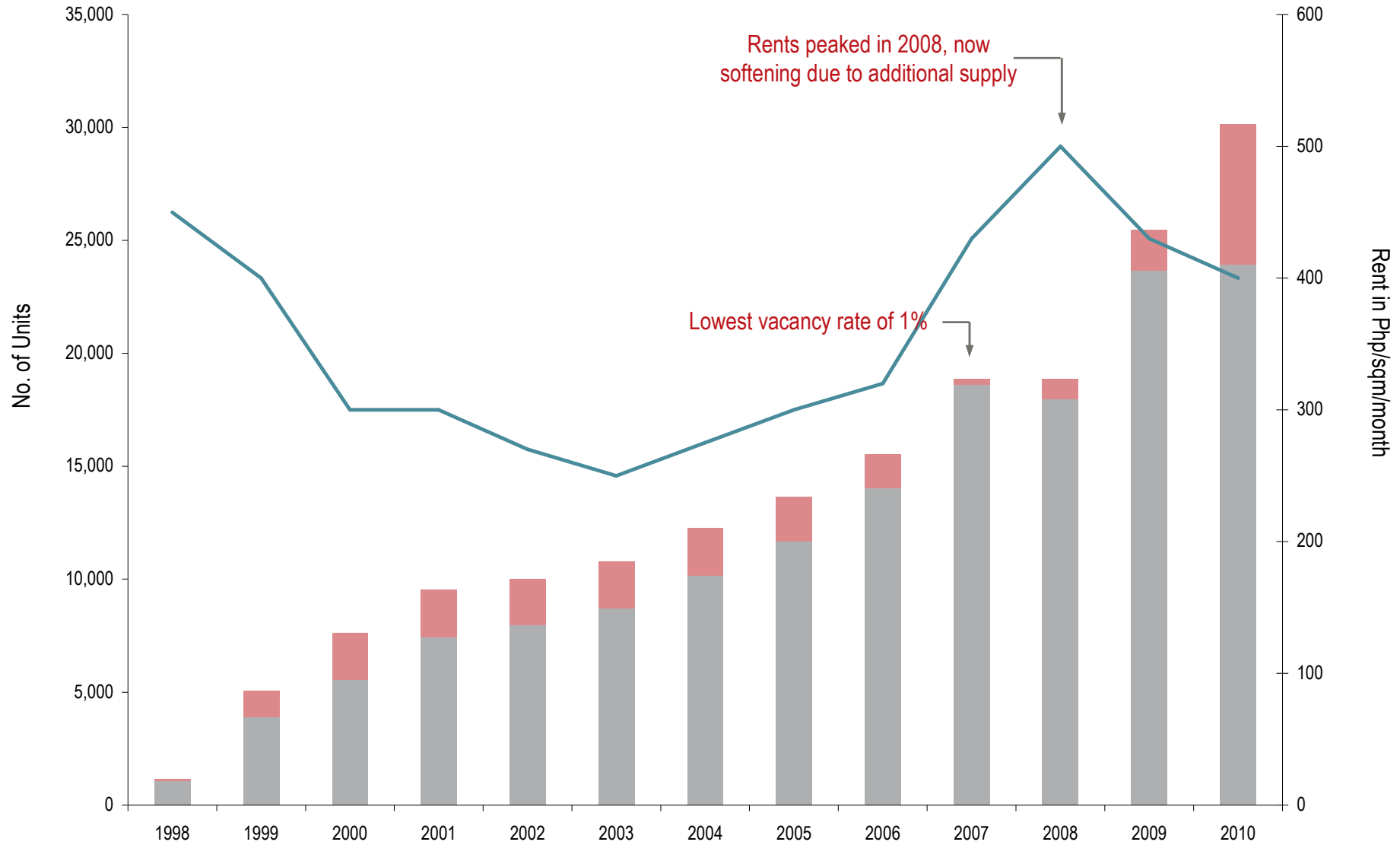
Market Overview

Retail Sector



Market Overview

Residential Condominium Sector



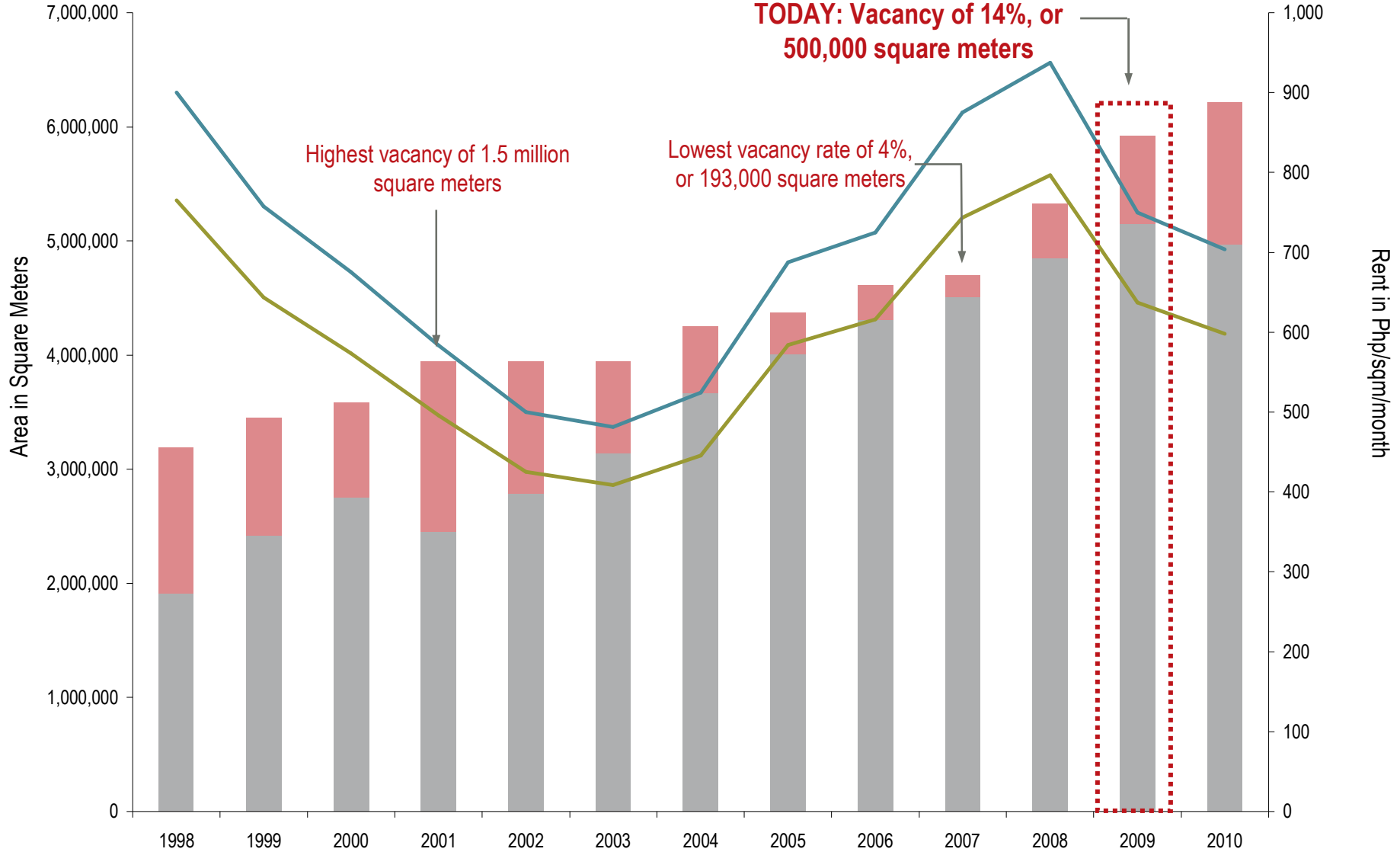
Market Overview

Residential Sector

- Luxury and prime sector holding well
 - Enclosed villages up 10 – 15% in the last 12 months
 - Recommended buys in luxury condominium projects – i.e., West Block Rockwell, Pacific Plaza Towers, Essensa, One McKinley Place, Regent Parkway
 - Selling below replacement cost
- Growth of OFW remittances will determine future direction of middle-end market
- Banks are still lending at favorable rates, providing easy access to financing – both for buyers and developers

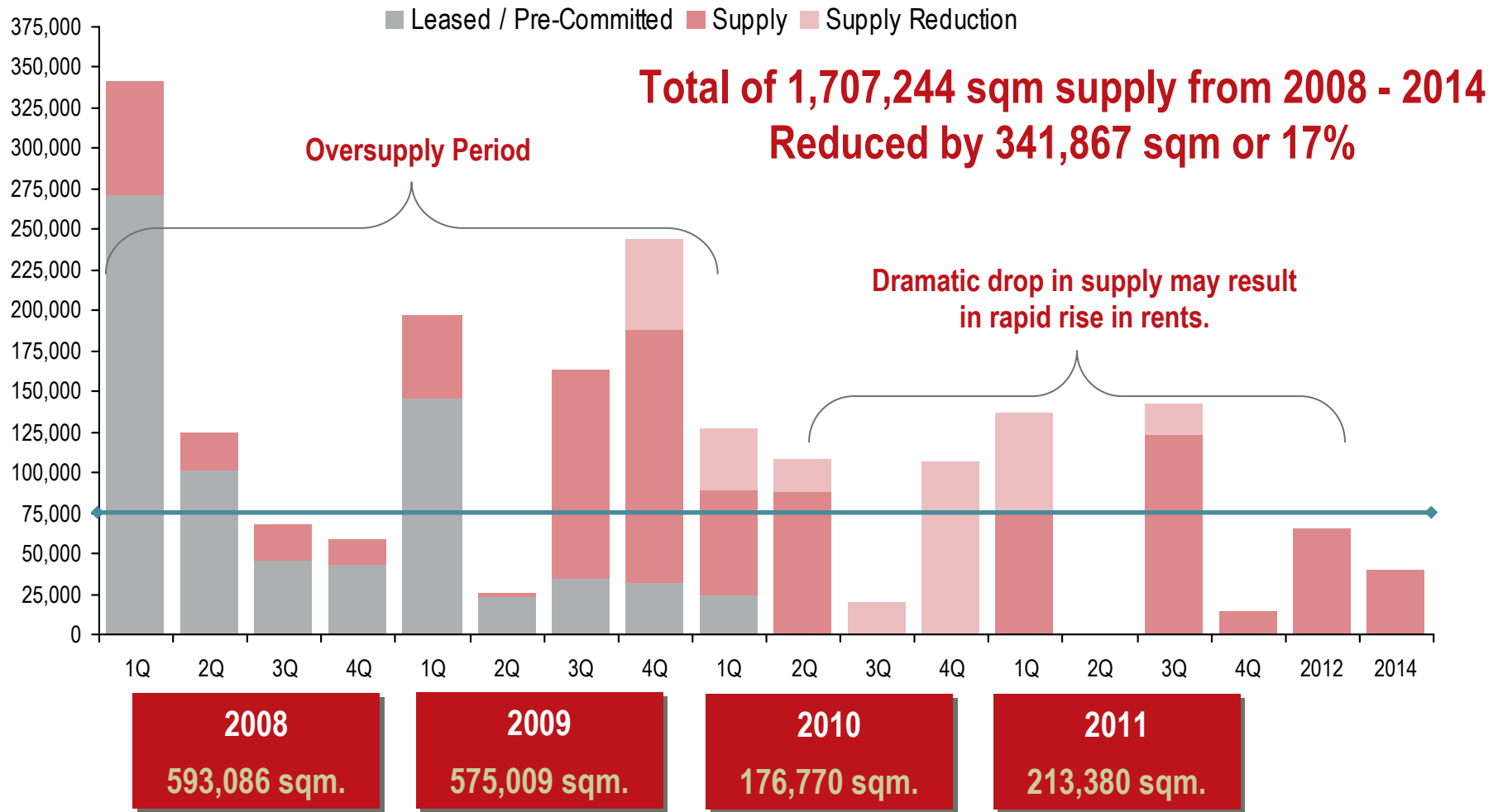
Market Overview

Office Sector



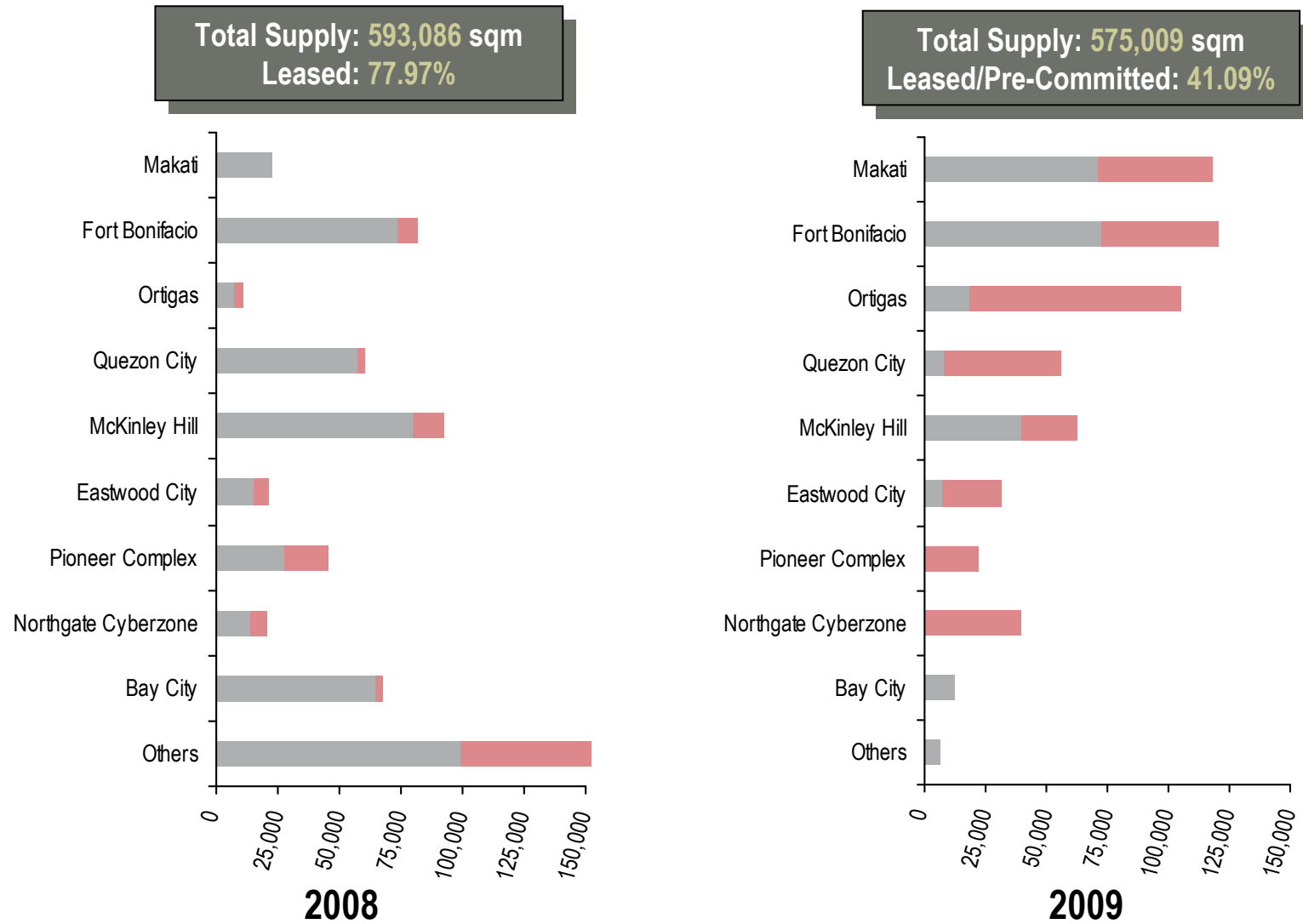
Market Overview

Office - Quarterly Supply vs Leased / Pre-Committed Space



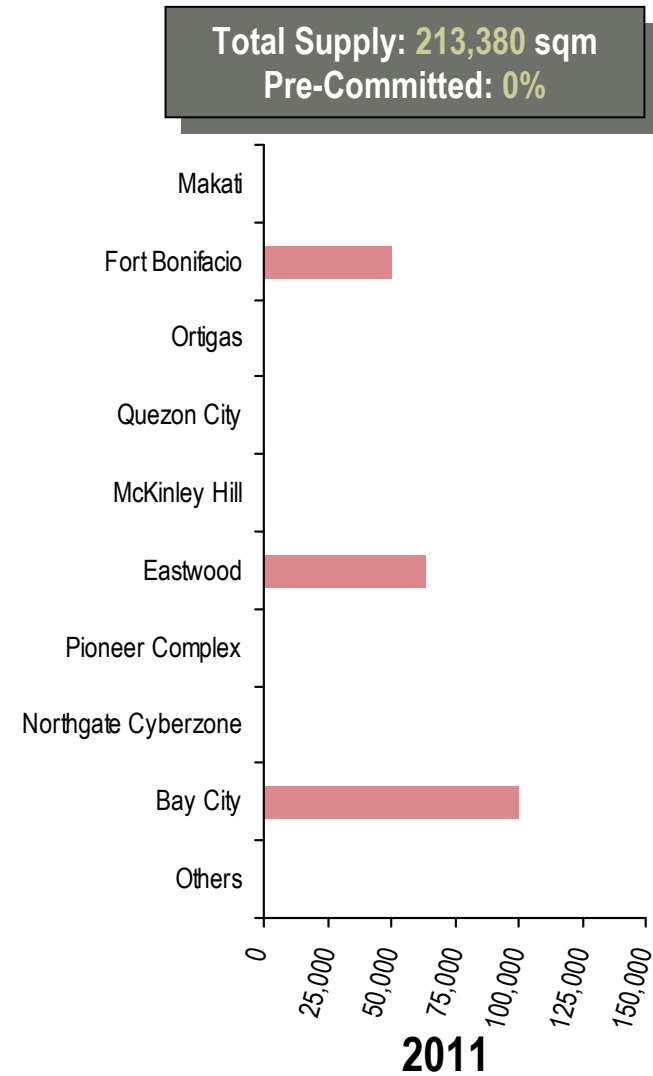
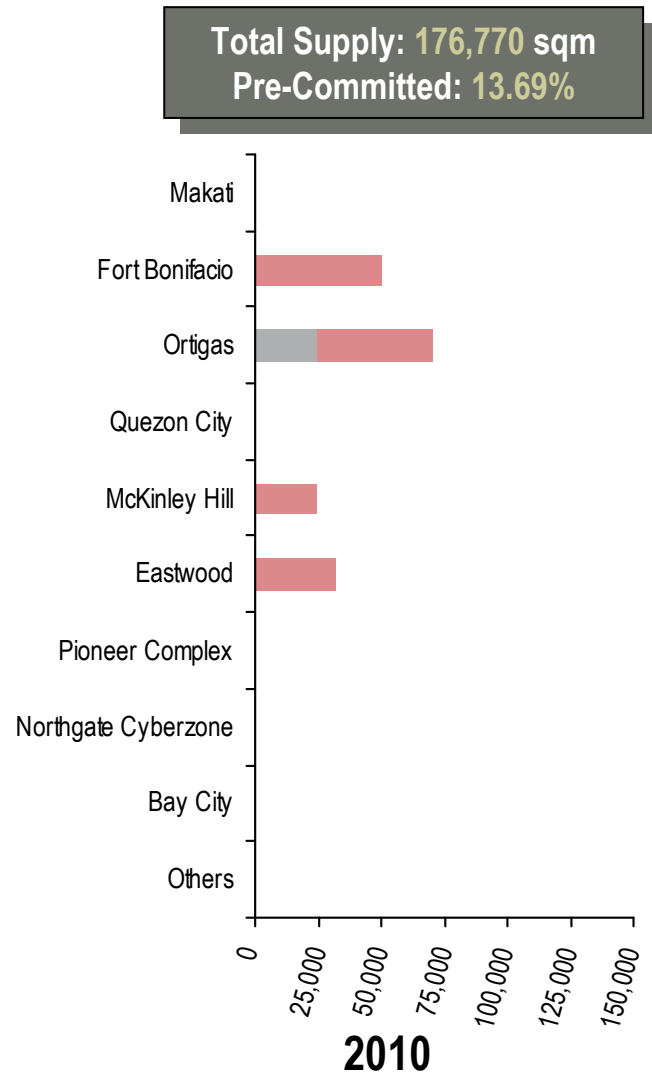
Market Overview

Office - Supply vs Leased / Pre-Committed Space (2008 - 2009)



Market Overview

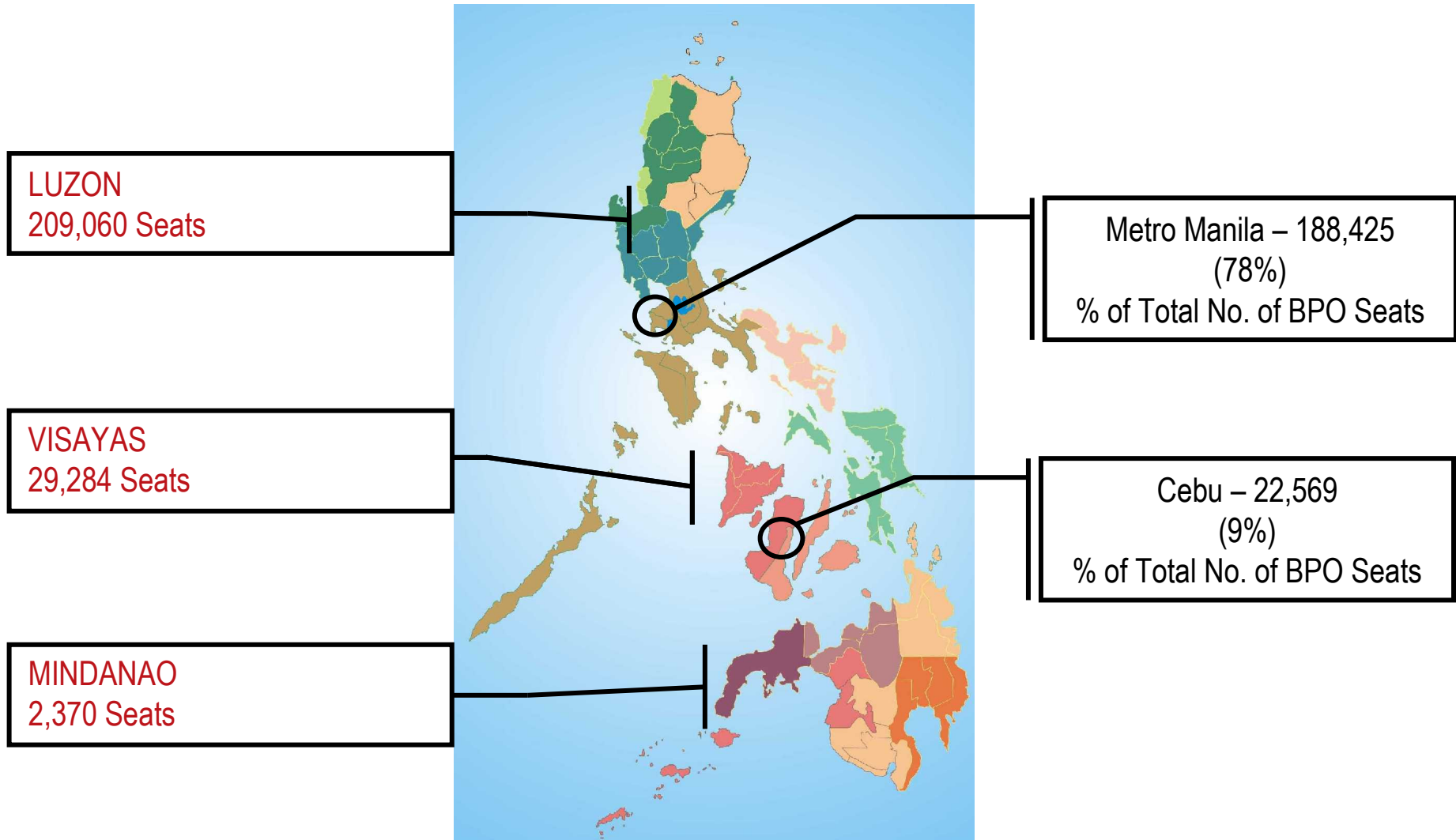
Office - Supply vs Pre-Committed Space (2010 – 2011)



BPO Industry Overview

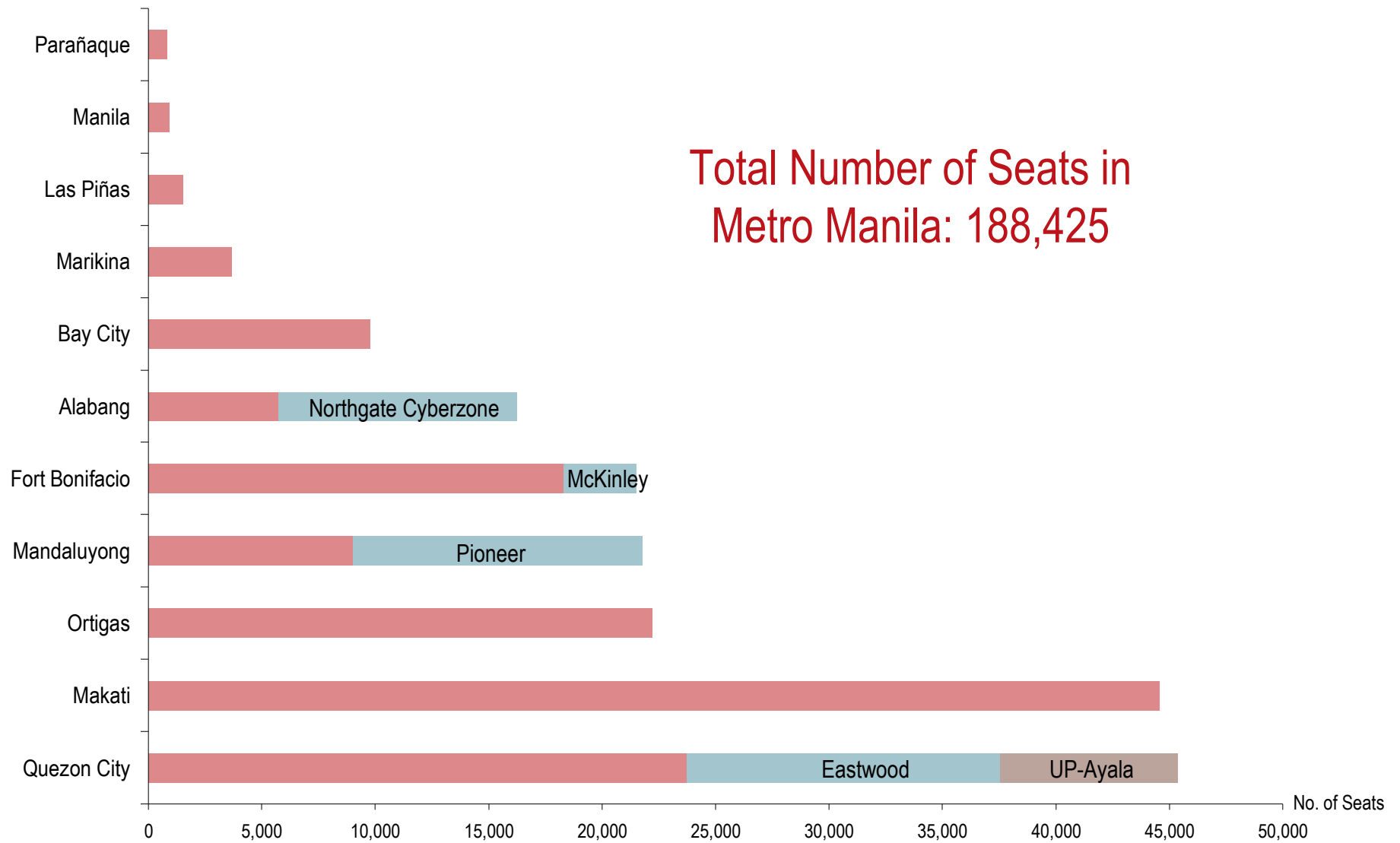
Number of Seats

Total Number of BPO Seats: 240,714



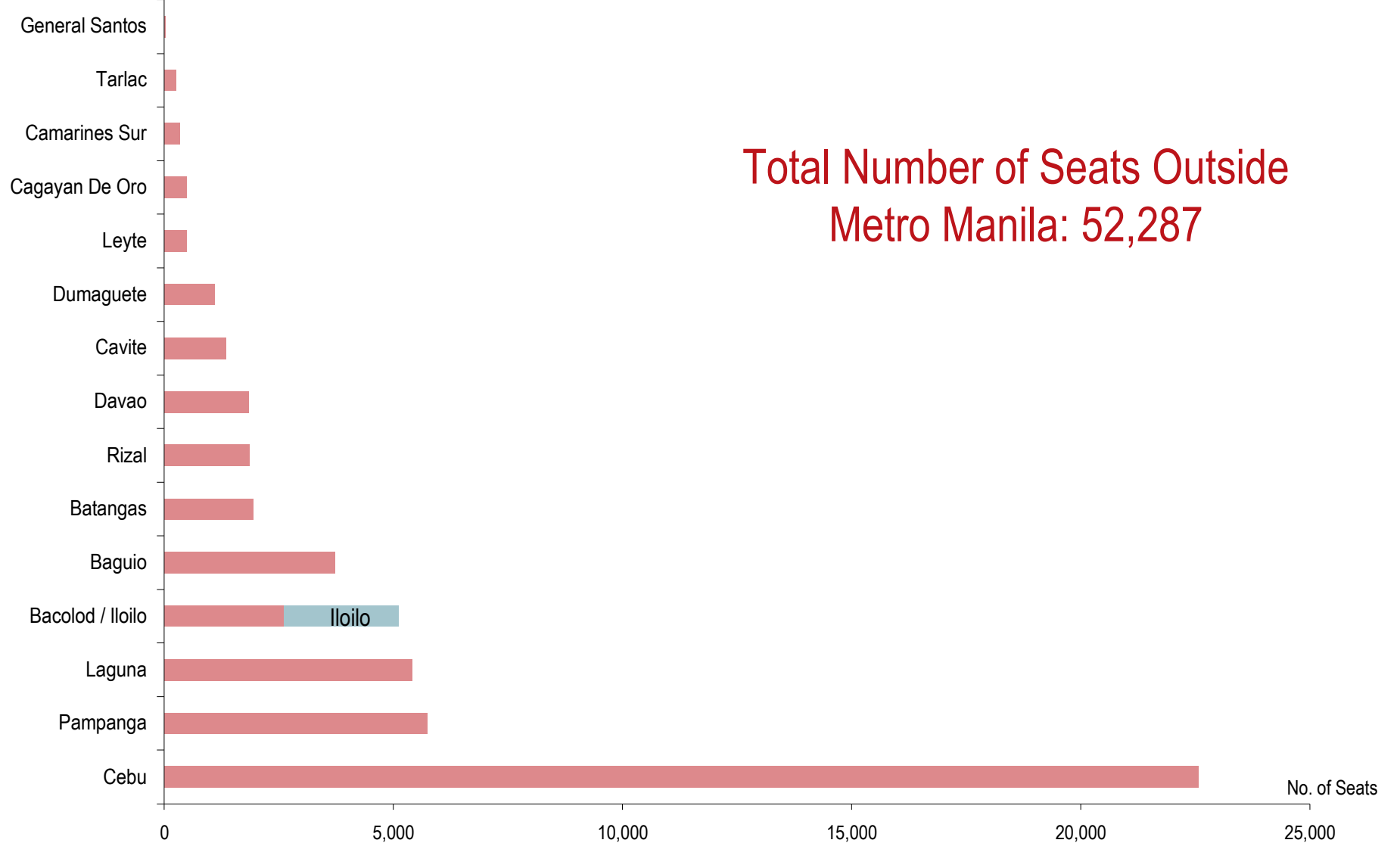
BPO Industry Overview

Metro Manila Seat Distribution



BPO Industry Overview

Provincial Seat Distribution



Philippine Economic Overview

1997 vs. 2008 Crisis vis-à-vis Property Market

	1997 Asian Financial Crisis	2008 Global Financial Crisis
Interest Rates	Rapid climb in interest rates plus appreciation of the US Dollar forced loan defaults, bankruptcies and unfinished buildings	Falling rates forcing mobilization of capital into real estate investments; credit still free-flowing
Supply	2.3 million square meters of Prime, Grade A and B stock, 60% of which is in Makati, and 40% in Ortigas	1.4 million square meters of largely Grade B stock, spread across Metro Manila
Demand	Severe contraction as companies closed	BPO industry growing in the Philippines as a result of cost-cutting measures of multinational companies
Rents	Long "U" shape recovery after 5 years	"V" shape recovery after 18 months to 2 years

Market Overview

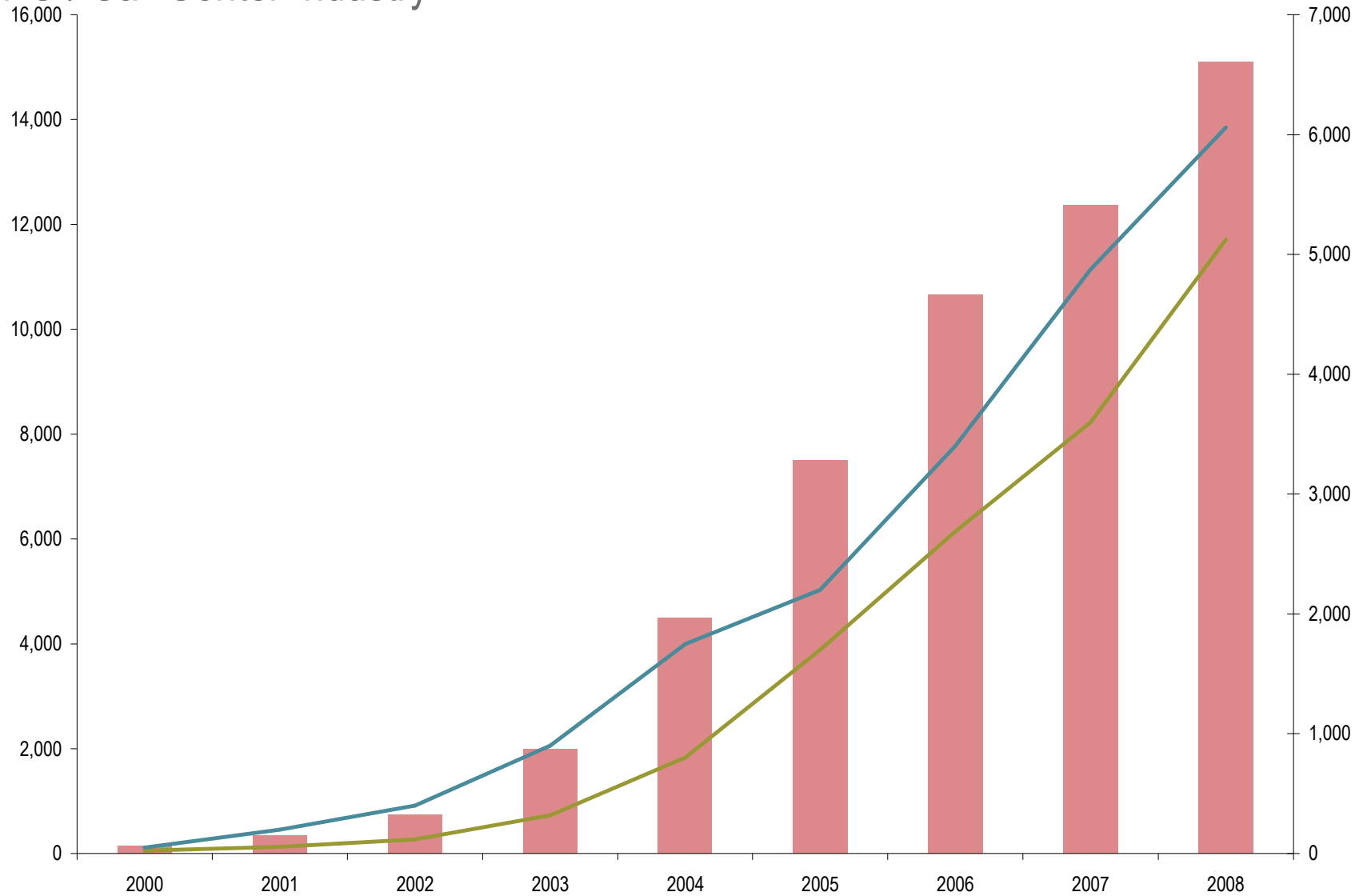
Demand By Big Movers

Big Movers (By Industry)	Required Size (sqm)	Reasons
Banking / Financial Services	6,000	Expansion
	3,000	Disaster Recovery Site
BPO	26,000	Expansion
	21,000	Expansion
	14,000	Expansion
	14,000	Expansion
	12,000	Expansion
	10,000	First Facility in the Philippines
IT	40,000	Relocation
Consumer Goods	3,000	Relocation
Various transactions ranging from 1,000 - 7,000 sqm	46,000	Relocation / Expansion
TOTAL	195,000	

- Demand coming mostly from the BPO industry
- Timing to commit – 4Q 2009 to 1H 2010
- If these are successfully transacted, it will set a floor price on rentals

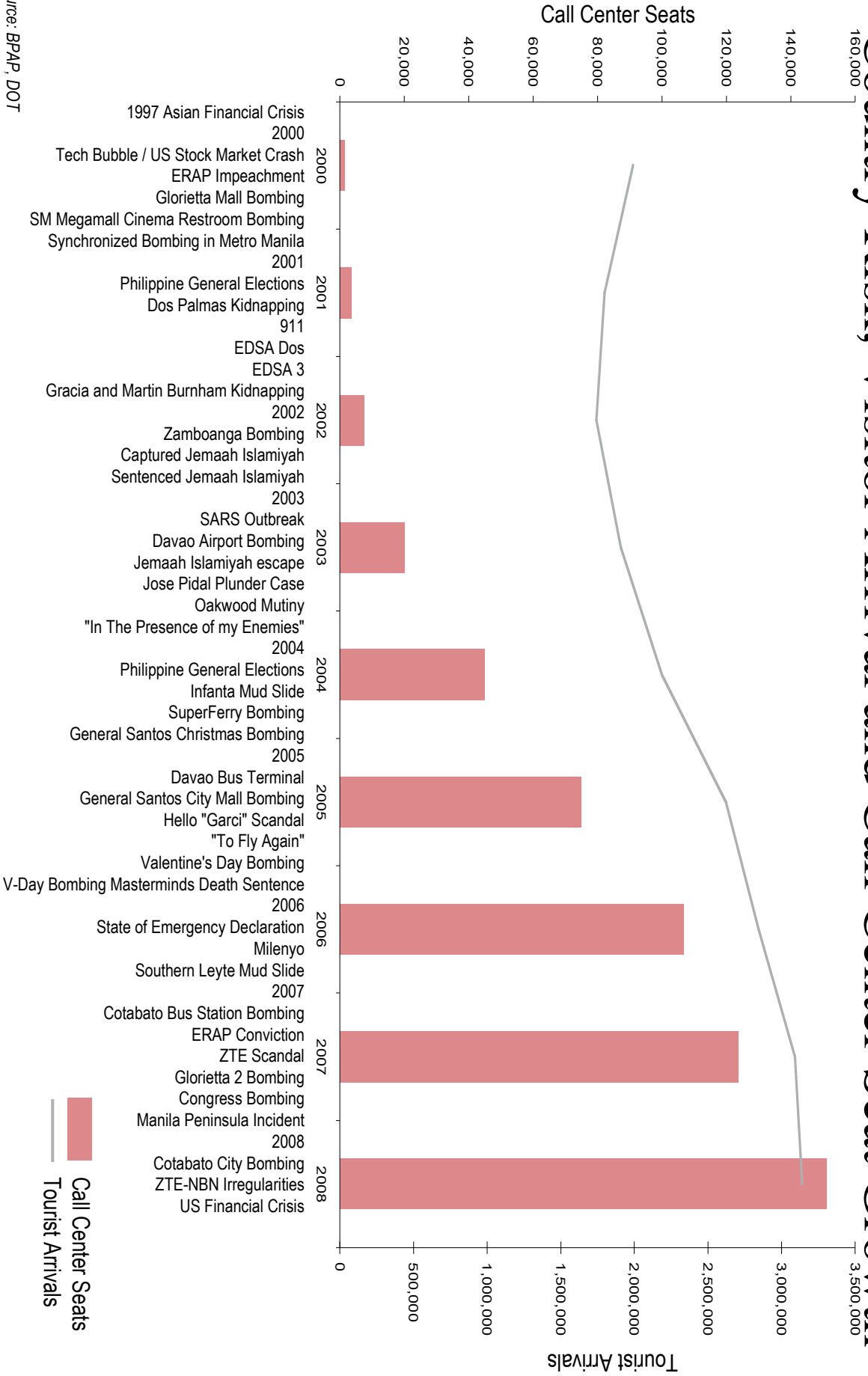
Market Overview

BPO / Call Center Industry

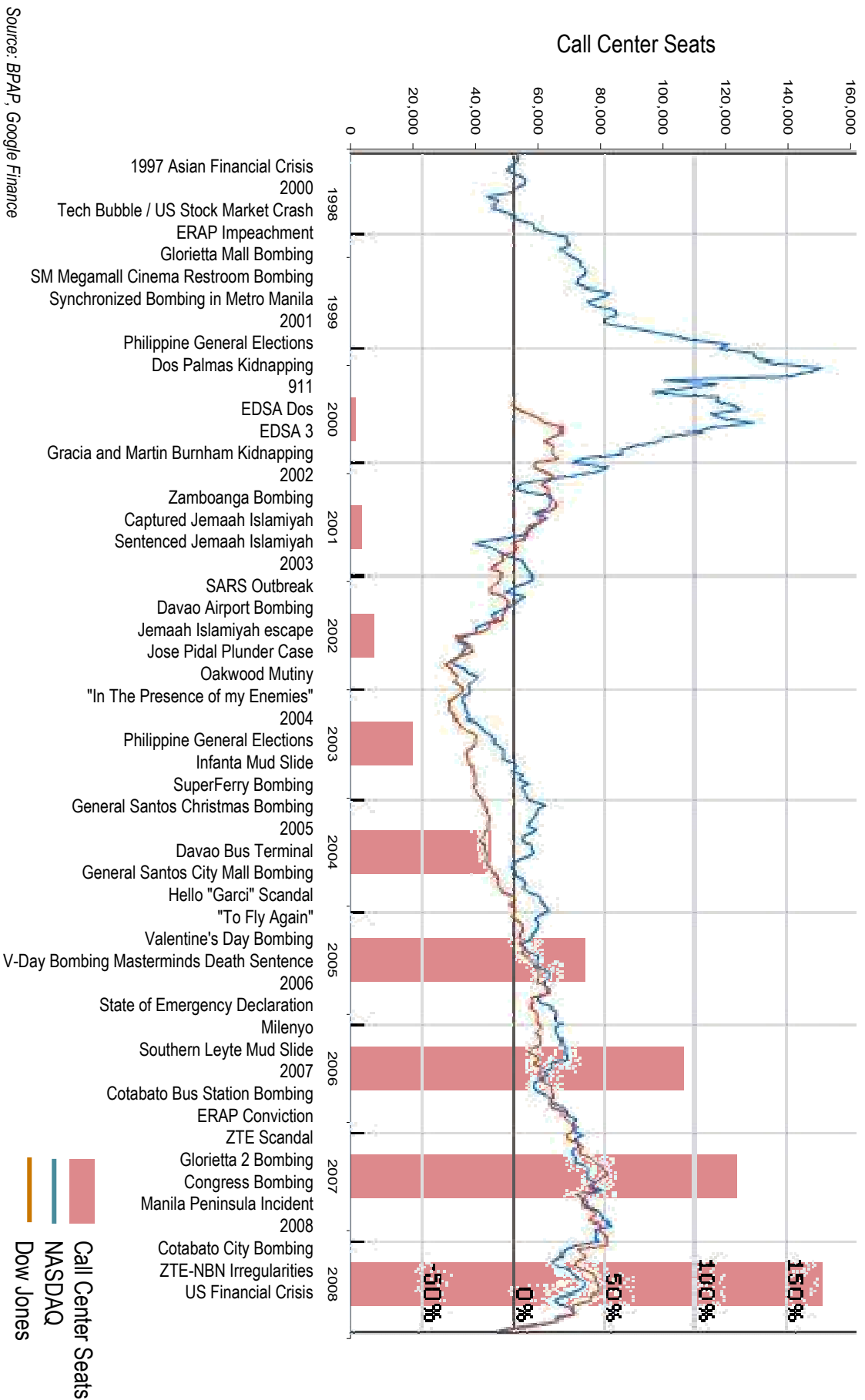


Country Risk, Visitor Arrival and Call Center Seat Growth

Source: BPAP, DOT



NASDAQ, Dow Jones and Call Center Seat Growth



Tourism The Next Big Thing

Global Tourism Overview 2008

- Total international tourist arrivals: 922 million
- Total tourism receipts of USD 944 billion, of which the Philippines got:

50% of 1% (USD 5 billion in tourist receipts), or

32% of 1% (3.2 million tourist arrivals in 2008)

- **80%** of international travel takes place **within the same region**
- Top international tourism spenders

Country	Expenditure (USD billion)	Country	Expenditure (USD billion)
1. Germany	91.0	7. Japan	27.9
2. United States	79.7	8. Canada	26.9
3. United Kingdom	68.5	9. Russian Federation	24.9
4. France	43.1	10. Netherlands	21.7
5. China	36.2	11. South Korea	20.9
6. Italy	30.8		

Source: WTO

Philippine Tourism Overview

Asia and the Pacific - Philippines

- Total international tourist arrivals: 922 million
- Of the 922 million arrivals, 184.1 million were in Asia and the Pacific

		2008 Tourist Arrivals (in '000)
1	China	53,049
2	Hong Kong	29,506
3	Malaysia	22,052
4	Thailand	14,584
5	Macau	10,605
6	Japan	8,351
7	Singapore	7,778
8	Korea	6,891
9	Indonesia	6,234
10	Australia	5,586
11	India	5,367
12	Vietnam	4,236
13	Taiwan	3,845
14	Philippines	3,139
15	New Zealand	2,459
16	Cambodia	2,001
17	Laos	1,295
18	Guam	1,142
19	Pakistan	823
20	Maldives	683
21	Fiji	585
22	Nepal	500
23	Sri Lanka	438

Source: WTO, HKTC

Philippine Tourism Overview

Top 15 Tourist Destinations in the Philippines

	2009 Rank	2008 Rank
Camarines Sur	1	6
Cebu	2	1
Boracay	3	3
Baguio	4	2
Davao	5	5
Puerto Galera	6	7
Bohol	7	8
Bacolod	8	4
Dumaguete	9	9
Ilocos Norte	10	10
Masbate	11	11
Camarines Norte	12	15
Puerto Princesa	13	14
Legaspi	14	13
Catanduanes	15	16

Source: DOT

Philippine Tourism Overview

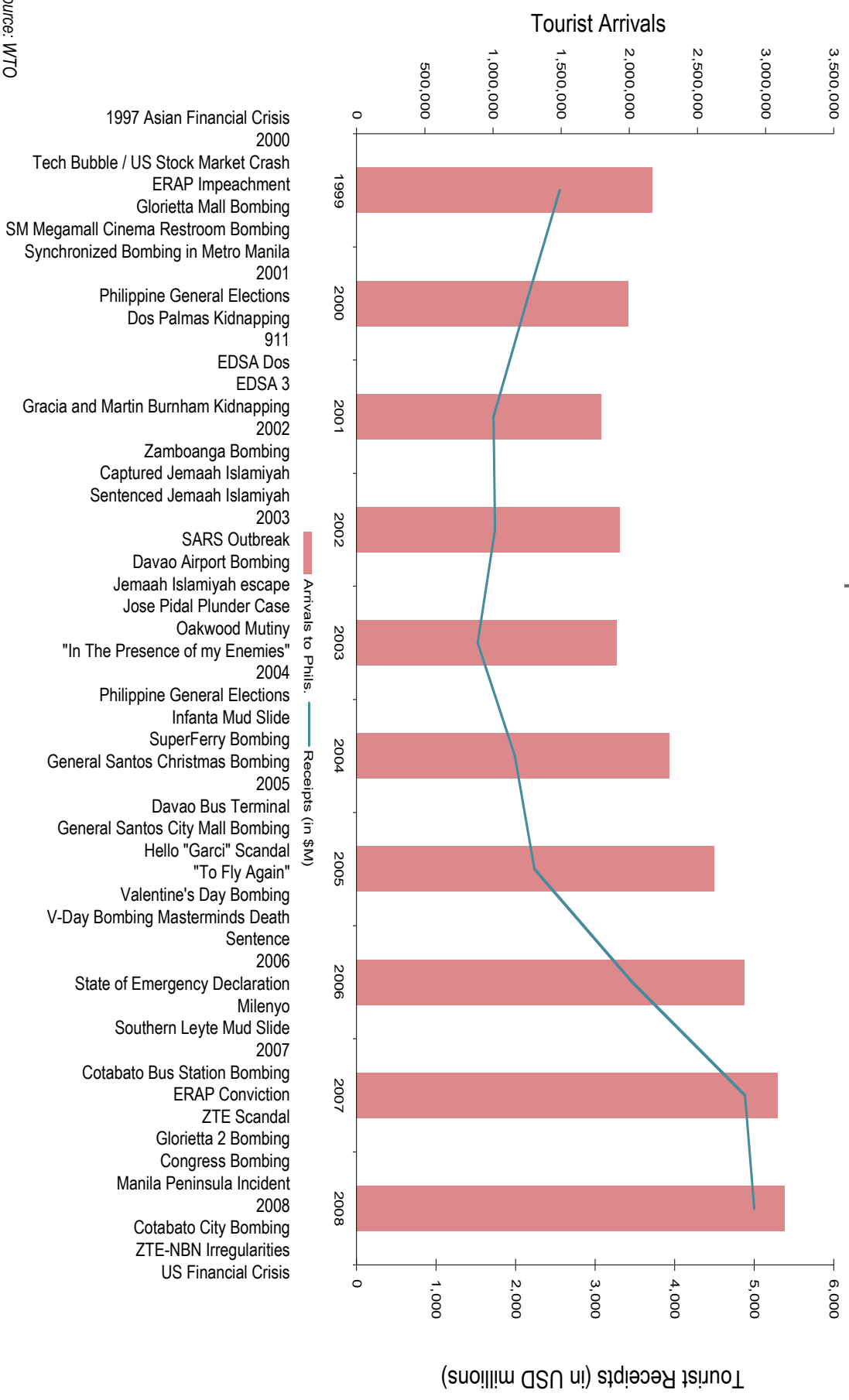
Tourist Arrivals and Tourist Receipts



Philippine Tourism Overview

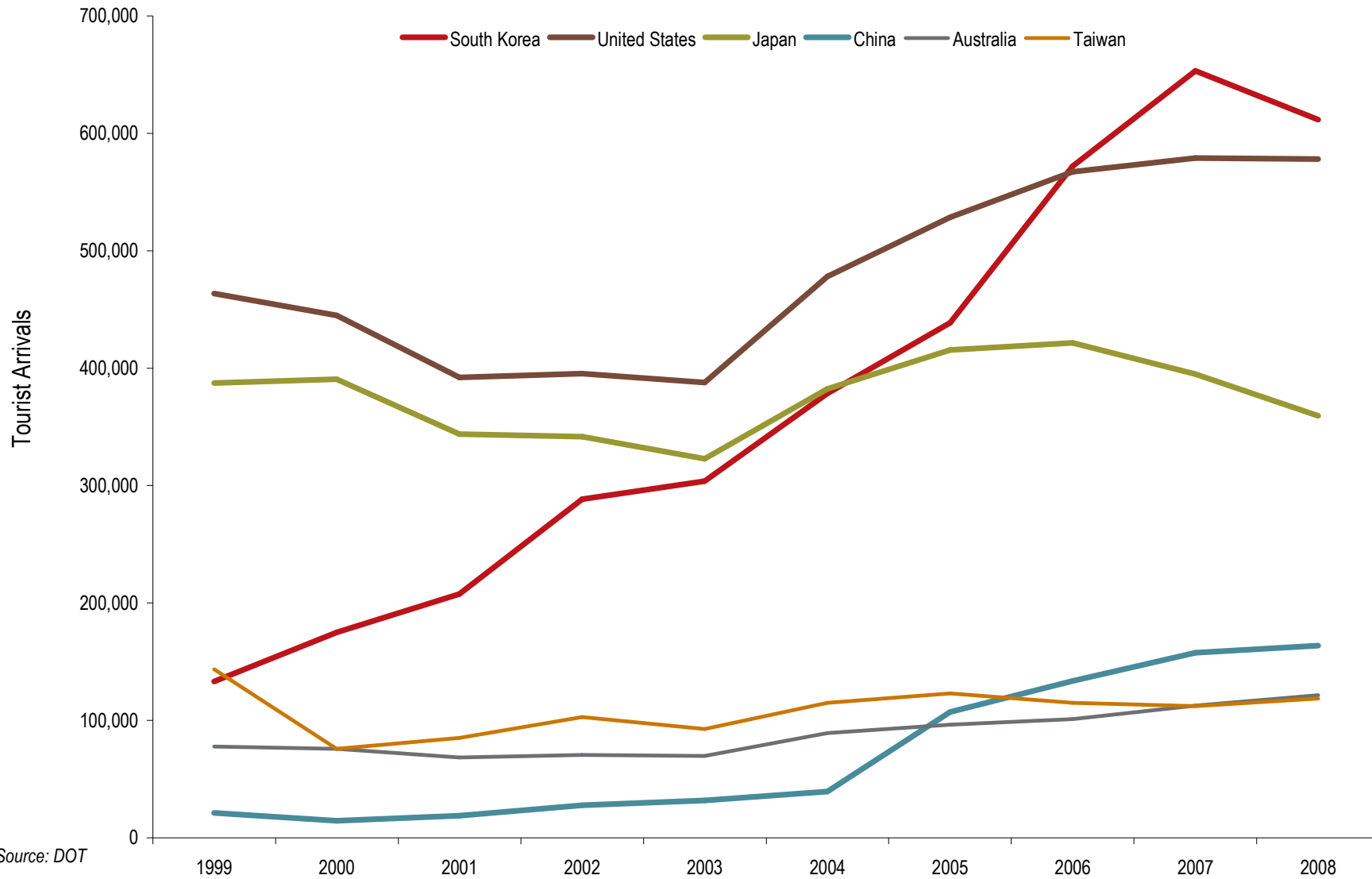
Tourist Arrivals and Tourist Receipts

Source: WTO



Tourism Arrivals in the Philippines

By Country of Residence



Source: DOT

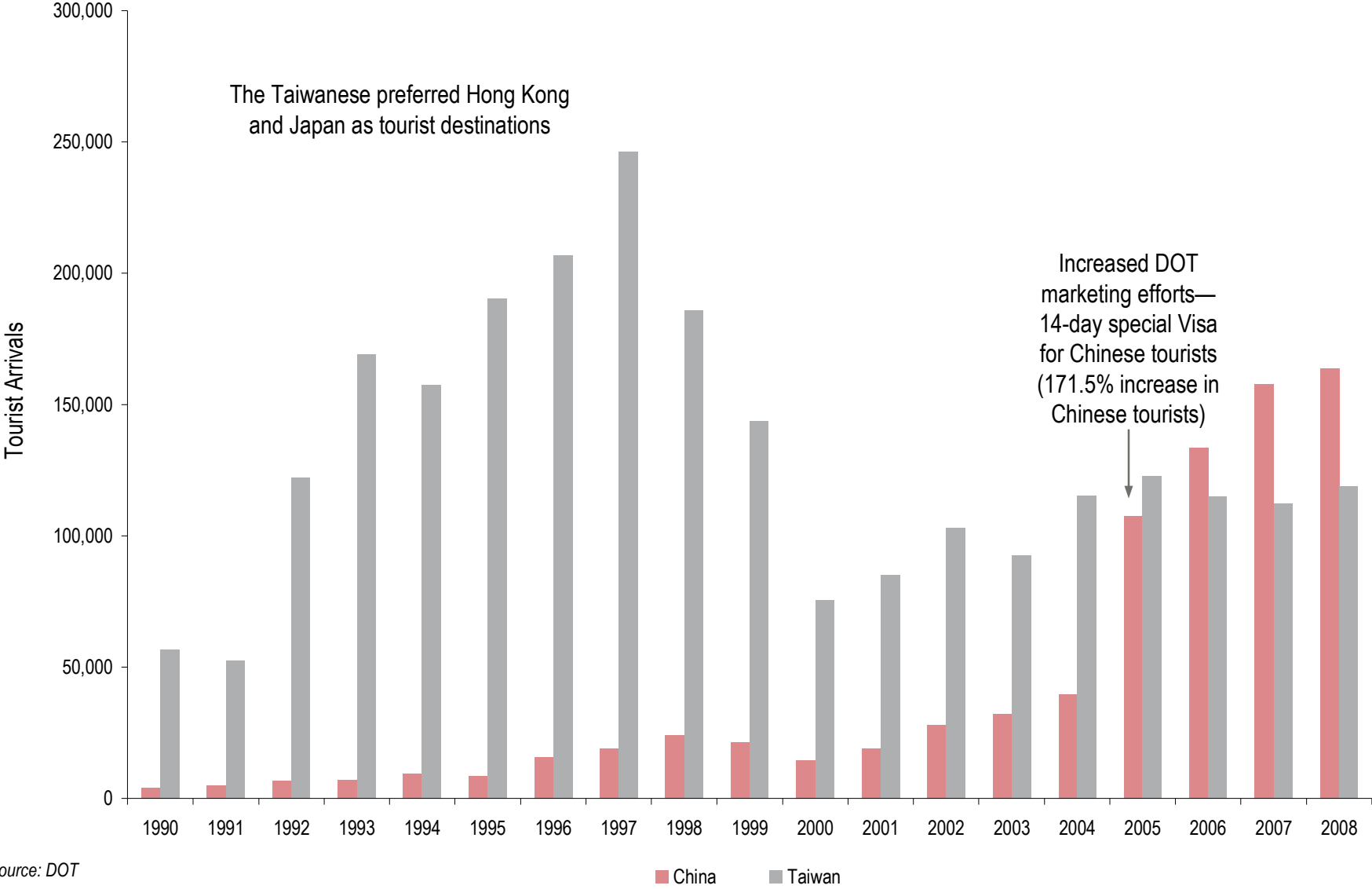
Philippine Tourism Overview

Thailand and Philippines

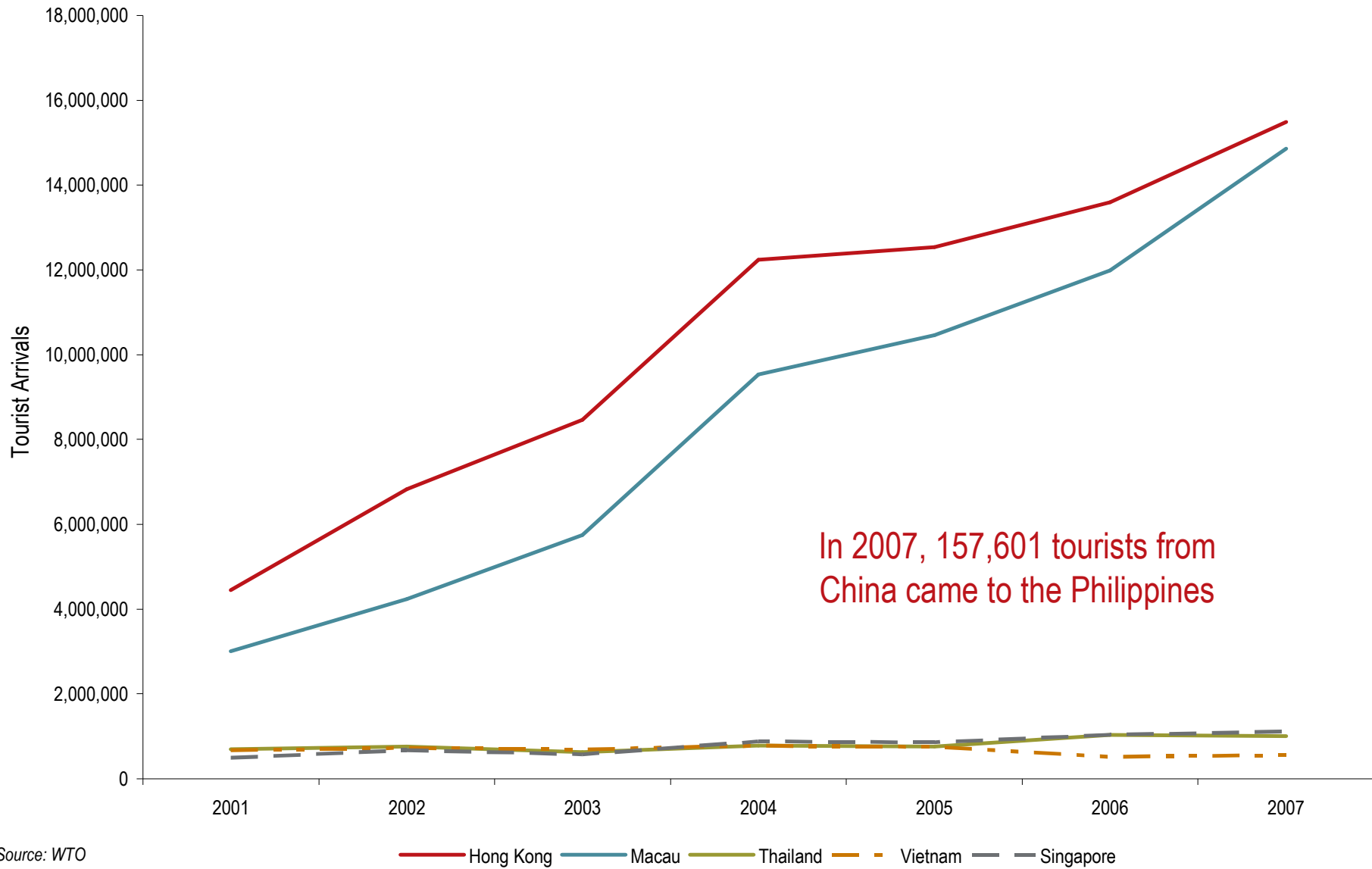
	Thailand	Philippines
Population	67 million	90 million
Tourist Arrivals	14.54 million	3.4 million
Tourism Receipts	USD 16 billion	USD 5 billion
% of GDP	6.50%	6.20%
Top 5 Tourists	Malaysia Japan Korea China United Kingdom	Korea USA Japan China Australia

Source: Thailand Tourism, DOT

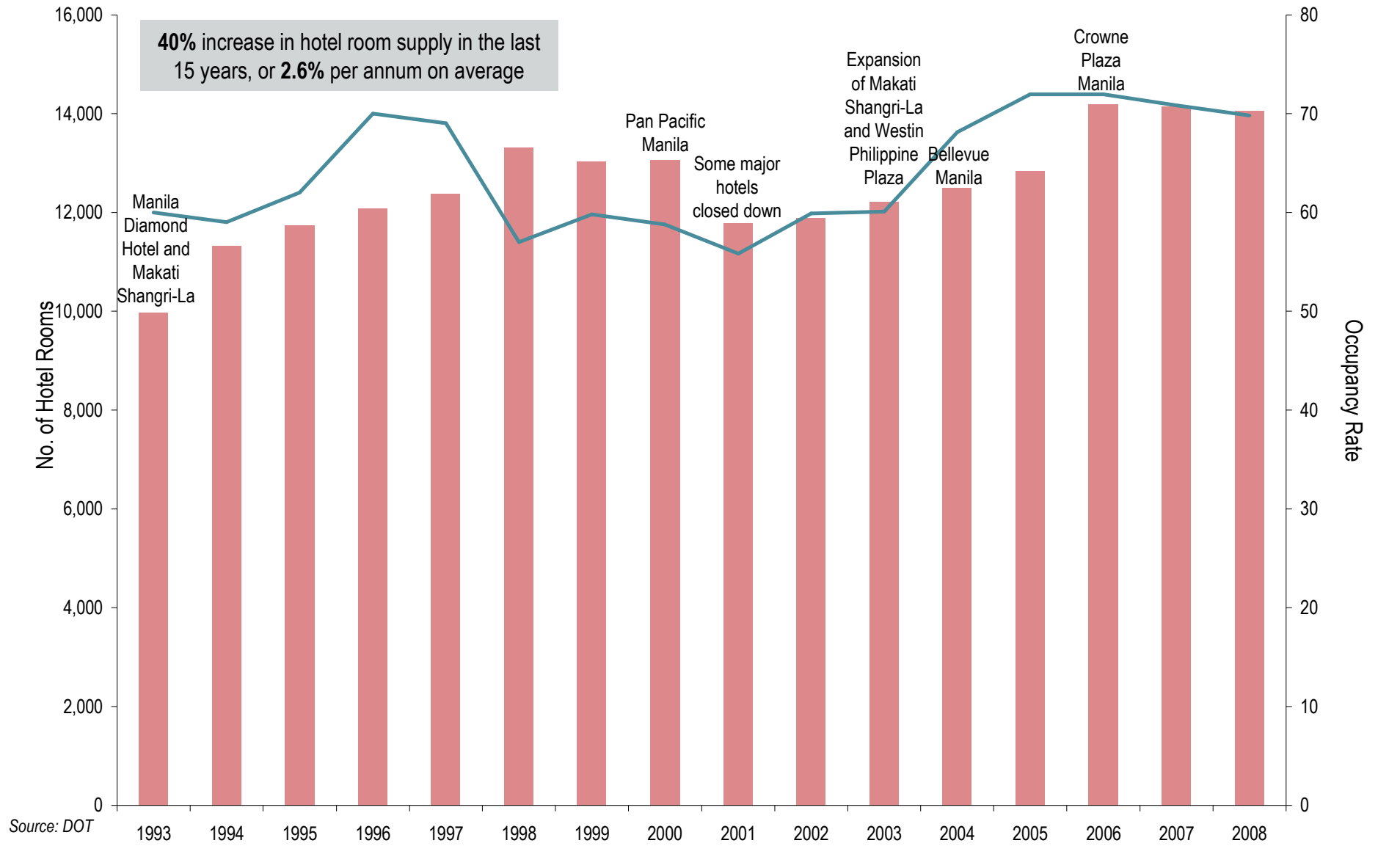
China and Taiwan Tourists To The Philippines



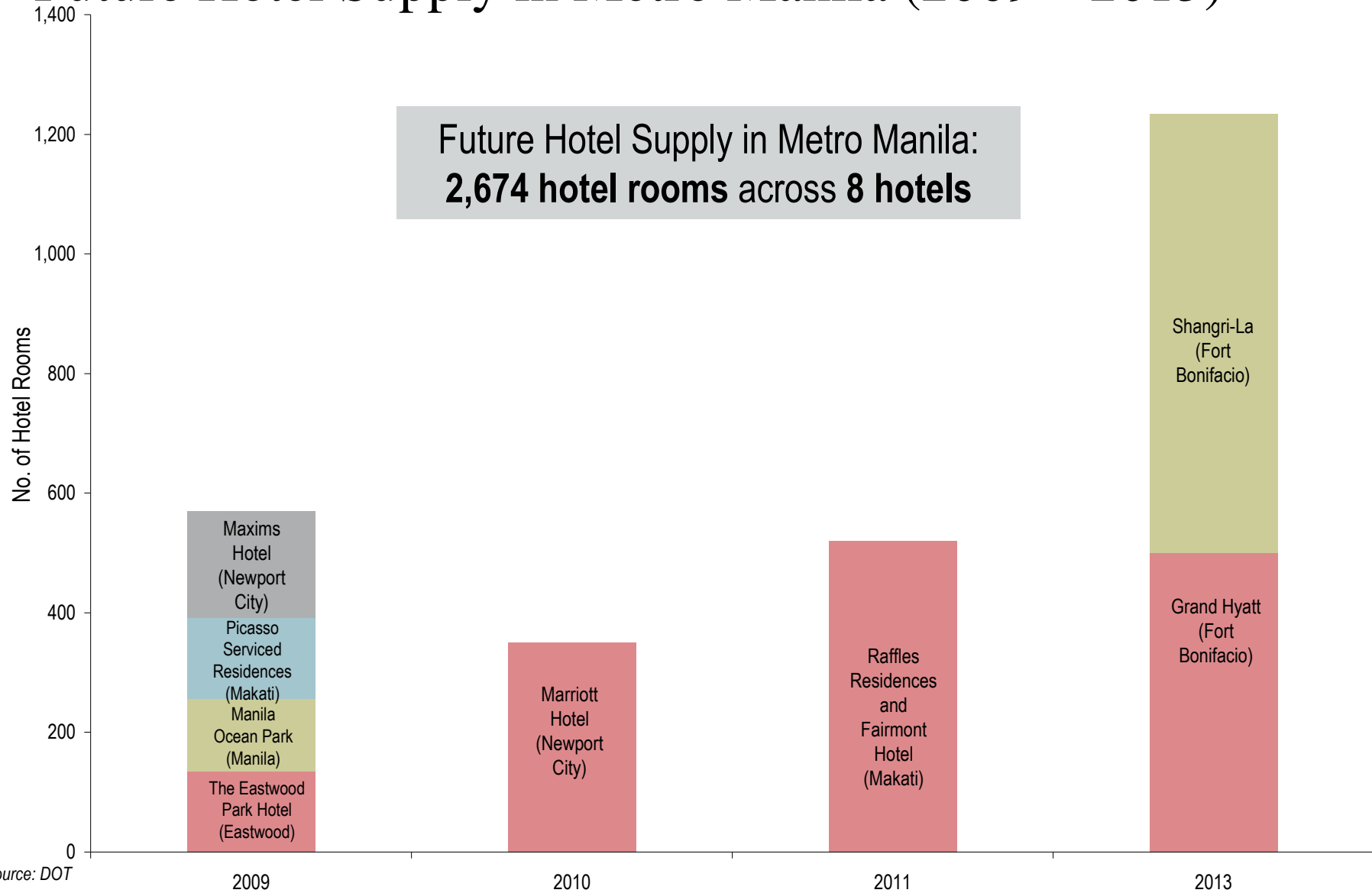
China's Top Tourist Destinations



Total Hotel Supply and Occupancy in Metro Manila

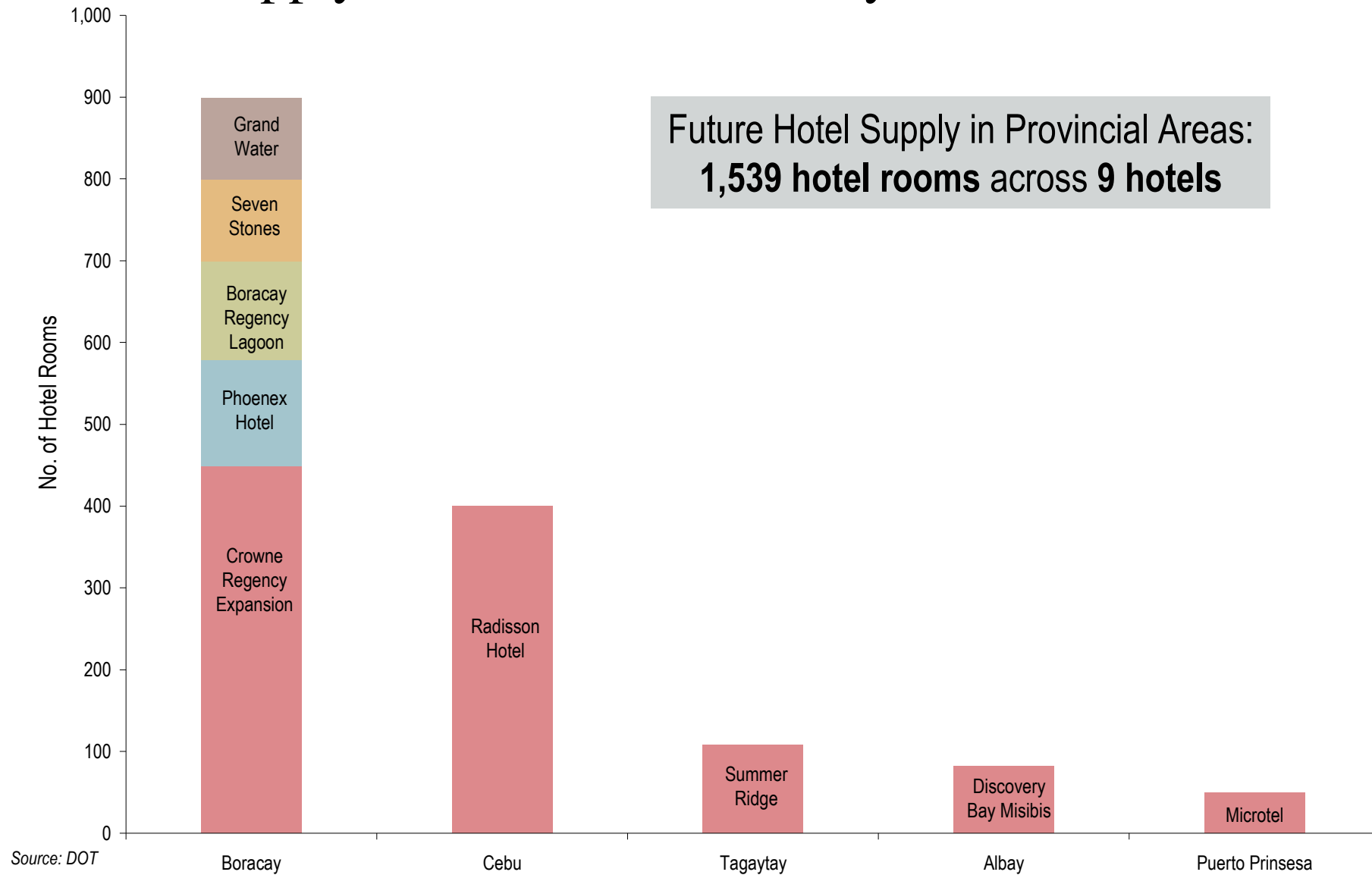


Future Hotel Supply in Metro Manila (2009 – 2013)



Source: DOT

Hotel Supply in Provincial Areas By Year-End 2009



Who We Are, What We Do



- JLL is the **most prominent real estate services firm in the country**
 - Sales and Leasing
 - Facilities & Property Management
 - Project Management
 - Research, Consultancy and Valuation
- JLL is at the **forefront of the BPO industry**—serviced 10 of the top 12 BPOs in the Philippines, handled more than **45** contact center clients, and acquired a total of **102** sites for these clients.
- Serviced around **50%** of all office space occupied by the outsourcing industry.
- Negotiated about **110,000** sqm of build-to-suit buildings, and about **90%** of BPO office lease transactions outside Metro Manila.

A Track Record of Achievement



Fortune's World's Most Admired Companies (2009)



Best Overall Global Advisor and Consultant (2009)



The Global Outsourcing 100 List (2009)



CRO's "100 Best Corporate Citizens (2009)



World's Most Ethical Companies (2008, 2009)



Sustainable Cities Awards (2008)



P&G's External Business Partner of the Year



Forbes 400 List of Best Big Companies (2008)



Asia MS 100 List (2008)



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Thank you!