

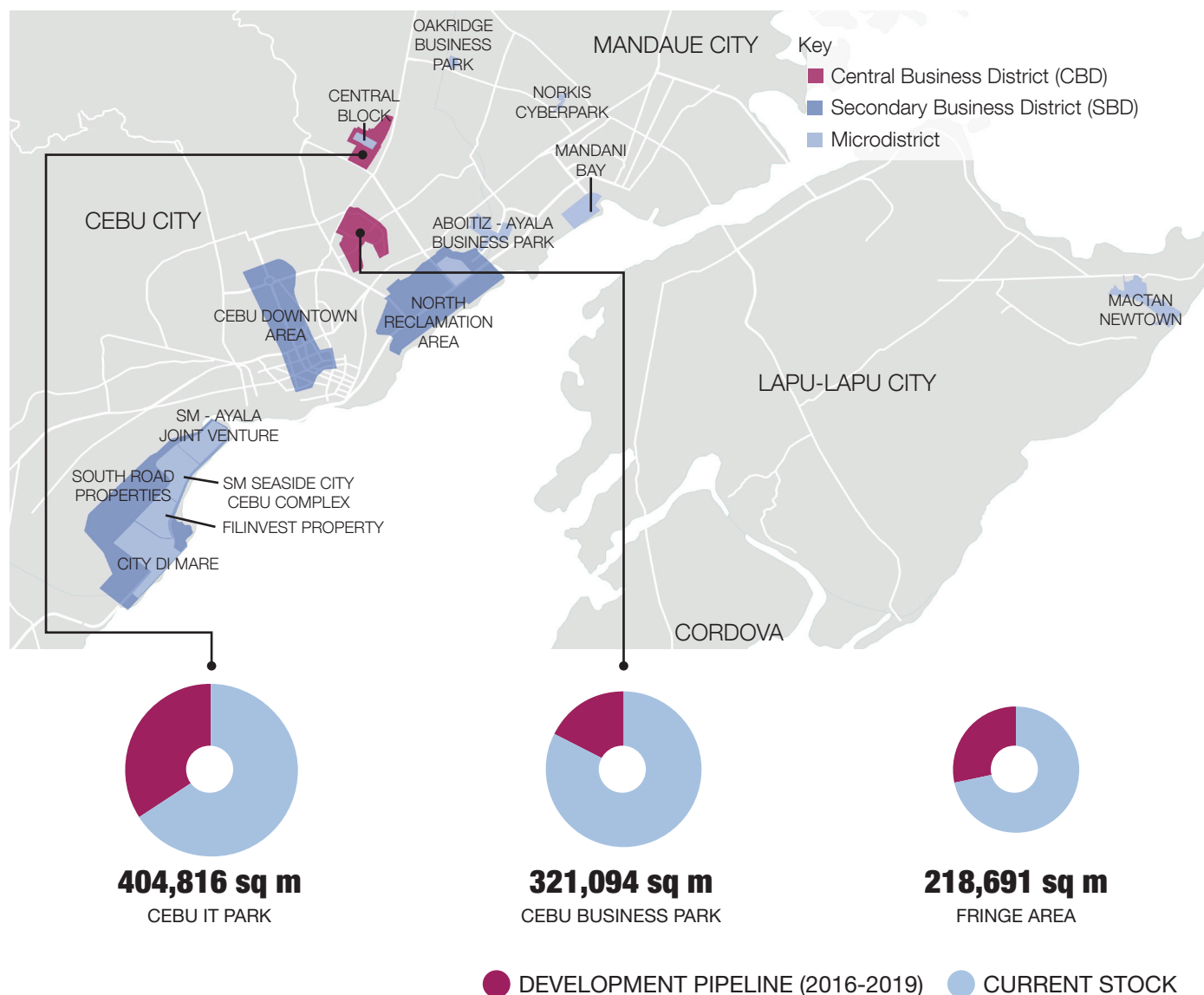
Cebu **Office Briefing**

1Q 2016



Cebu Business Districts

Future Stock (2019)



Source: KMC MAG Group Research & Consultancy

TABLE 1

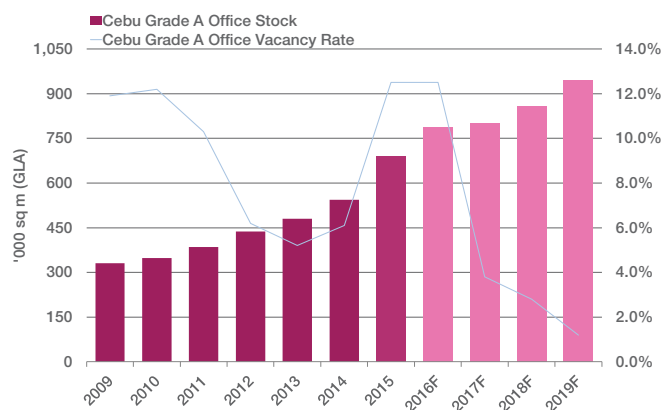
Key Figures - Grade A Office

1Q 2016	Cebu Business Park	Cebu IT Park	Fringe Area	Cebu
Average net rental rate (Php/sq m/month)	543.7	543.9	485.3	528.3
Upper net rental rate (Php/sq m/month)	650.0	625.0	550.0	650.0
Vacancy rate (%)	13.5%	6.3%	22.9%	12.8%
Current stock (sq m)	265,482	266,608	156,994	689,084
Development pipeline 2016-2019 (sq m)	55,612	138,208	61,697	255,517

Source: KMC MAG Group Research & Consultancy

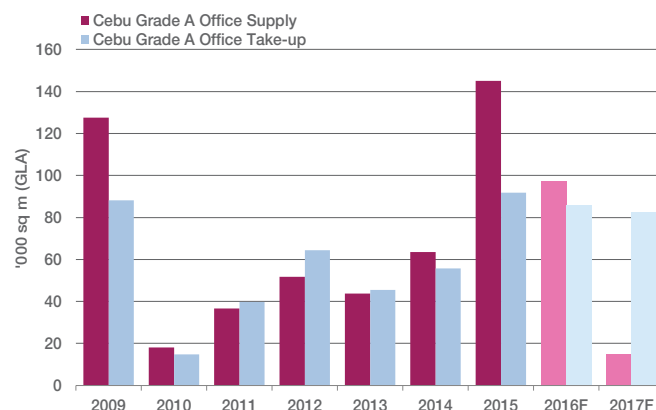
Cebu

GRAPH 1
Stock & Vacancy



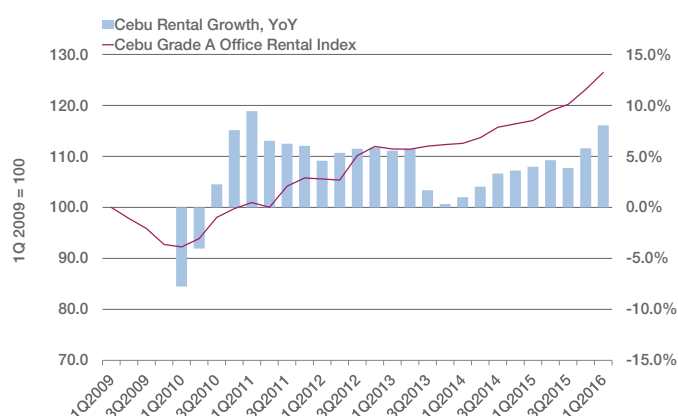
Source: KMC MAG Group Research & Consultancy

GRAPH 2
Supply & Take-up



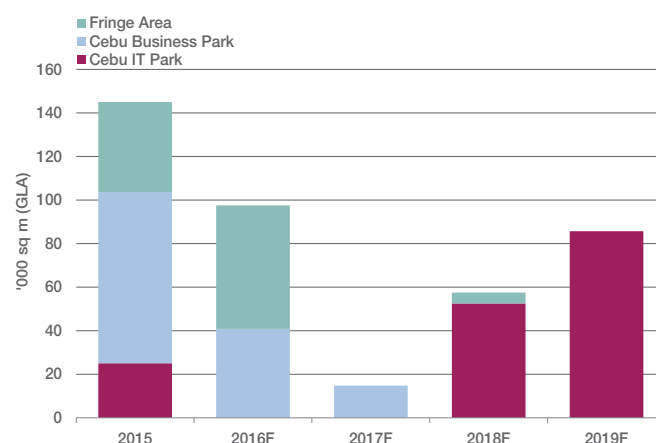
Source: KMC MAG Group Research & Consultancy

GRAPH 3
Rental Performance



Source: KMC MAG Group Research & Consultancy

GRAPH 4
Development Pipeline by District



Source: KMC MAG Group Research & Consultancy

MARKET IN MINUTES

- Dismal take-up in a quarter with no new supply has increased the large amount of available office spaces in the Cebu office market in 1Q/2016. Vacancy rate rose to 12.8% at the end of the first quarter of 2016 from 12.5% in 4Q/2015.
- Even with the negative net absorption, rental rates increased in 1Q/2016. During the quarter, average rental rate in Cebu was Php 528.3 per sq m/month, an increase of 2.7% QoQ and 8.1% YoY. Among all business districts in Cebu, the Fringe Area experienced the highest growth in 1Q/2016 with average rental rate increasing by 5.6% QoQ and 16.8% YoY.
- Looking ahead, more office towers are expected to be launched in Cebu, owing to the favorable market condition in the country's second largest metropolis. Some of the upcoming large-scale projects with office components within their respective masterplans include the SM-Ayala joint-venture project and City di Mare by Filinvest at the South Road Properties and the Aboitiz-Ayala business park in Mandaue City.

KMC MAG Group

Please contact us for further information



Michael McCullough
Managing Director
michael@kmcgroup.com



Rosario Carbonell
Director - Office Leasing
rosario@kmcgroup.com



Yves Luethi
Vice President
yves.luethi@kmcgroup.com



Gerold Fernando
Associate Director - Office Leasing
gerold@kmcgroup.com



Antton Nordberg
Head of Research
antton.nordberg@kmcgroup.com



Lana Osmeña
General Manager - Cebu
lana@kmcgroup.com



Melo Porciuncula
Head of Investments
melo@kmcgroup.com



Francis Fuellas
Head of Asset Management
francis@kmcgroup.com



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