MARKETBEAT
PHILIPPINES
LOGISTICS & INDUSTRIAL Q2 2026



CUSHMAN & WAKEFIELD

MARKET FUNDAMENTALS

	YOY Chg	Outlook
9.4 | 0.8 Existing | Future Supply (Industrial Lots, *in '000 has)*	▲	▲
6.7M | 0.9M Existing | Future Supply (Prime Logistics, *in sqm*)	▲	▲
P10,500-16,500 Lots Selling Price, PSQM	▲	▲
P300-650 Logistics Asking Rent, PSQM/M	▲	▲

ECONOMIC INDICATORS

	YOY Chg	Outlook
PHP 43B Foreign Direct Investments (FDI), Q1 2026	▼	▲
51.8 Purchasing Manager's Index (PMI), July 2026	▲	–
PHP 533B Balance of Trade (Exports), Q2 2026	▲	–

Note: In Million PHP, At Constant 2018 Prices

Source: Moody's, S&P Global, BSP, PSA

PHILIPPINE MANUFACTURING STEADIES AS FOREIGN CAPITAL ACCELERATES

The S&P Global Philippines' PMI edged up to 50.9 in June 2026 from 50.8 in May, marking a second consecutive month of expansion following the sharp contraction to 48.3 recorded in April. The rebound was anchored by renewed output growth and a fresh intake of new orders, driven principally by firmer domestic demand as export orders remained subdued. Yet the recovery unfolded against a challenging backdrop. Supply-chain disruptions deepened as the conflict in the Middle East entered its third month, lengthening lead times and pushing input cost inflation to its fastest pace since August 2022. Despite these headwinds, manufacturers held a constructive outlook, with business confidence climbing to an 18-month high on expectations that improving demand conditions would sustain production growth in the year ahead.

CONFIDENCE IN SECTOR DEMAND DRIVING SUPPLY-SIDE GROWTH

Factory-floor optimism finds reinforcement in the investment landscape. Foreign investments approved by the country's investment promotion agencies reached PHP 140.7 billion in H1 2026, a 94.42% YoY increase, according to the Philippine Economic Zone Authority (PEZA). Approved pledges were led by manufacturing (45%), followed by logistics (15%) and ecozone developments (9%), reflecting strong investor confidence in the sector's productive capacity and pointing to a robust pipeline of projects expected to drive employment growth through year-end.

Local ownership consolidation strengthens vertical integration and accelerates logistics capacity across the country. Enhanced utilization, economies of scale, and network effects align supply with rising demand from manufacturing, retail, and e-commerce. The shift intensifies competition, raises market concentration, and reinforces resilience—supporting employment and MSME growth nationwide.

PRICING HOLDS FIRM: SUPPLY CONSTRAINTS AND RISING COSTS DEFINE INDUSTRIAL LEASE DYNAMICS

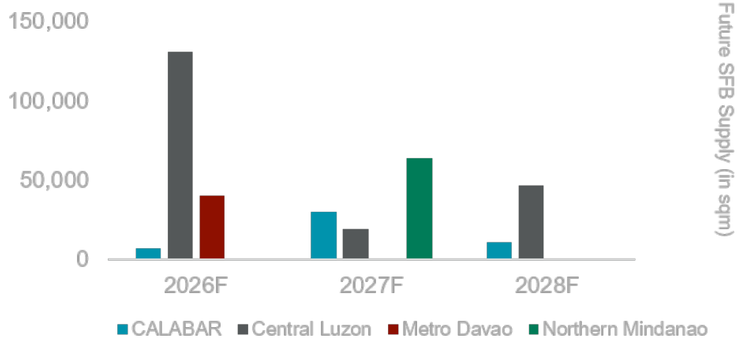
Selling prices and lease rates across industrial estates and logistics facilities held broadly stable through Q2 2026, with selective upward pressure in submarkets where quality supply remains constrained. Within CALABA, the contrast between subdistricts is instructive: the range of headline rents for new, highly-specified, PEZA-ready products in Batangas commands a 15%-40% advantage over the current offerings in Laguna and Cavite, where older, discounted, stock dominates. Laguna, the loosest of the three markets, saw higher volatility in the range of market rent ease by about 3.5% as developers incentivized volume, illustrating how supply timing rather than demand weakness is shaping headline rates.

Input cost inflation, driven by elevated construction material prices, energy costs, and a weaker peso, continued to exert upward pressure on development economics, reinforcing the pricing floor for new and recently completed stock. Occupiers and investors are increasingly focused on total cost of occupancy, weighing capital expenditure, operational efficiency, and sustainability credentials alongside headline rent. This dynamic should sustain pricing discipline across quality assets while widening the spread between prime and secondary product through the remainder of the year.

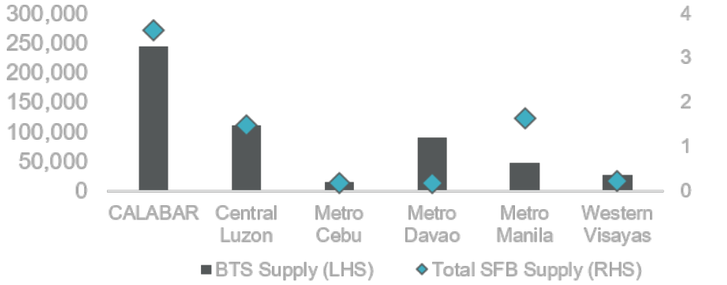
Q2 2026 LOT SELLING PRICE & VACANCY RATES



LOGISTICS SUPPLY PIPELINE



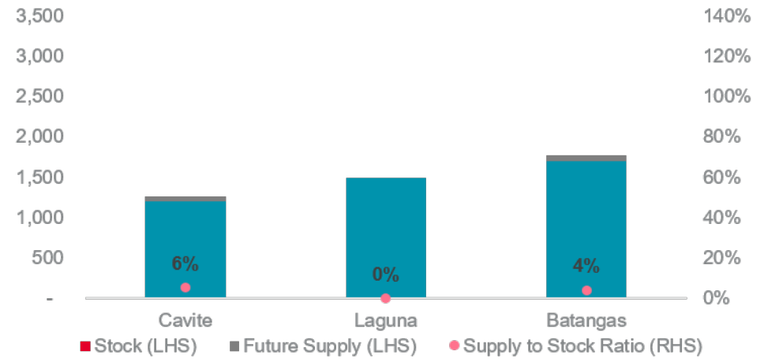
LOGISTICS BUILD-TO-SUIT (BTS) FUTURE SUPPLY



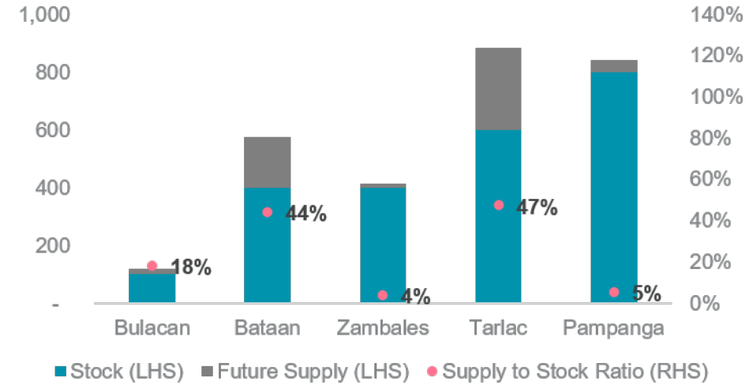
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LOGISTICS & INDUSTRIAL Q2 2026

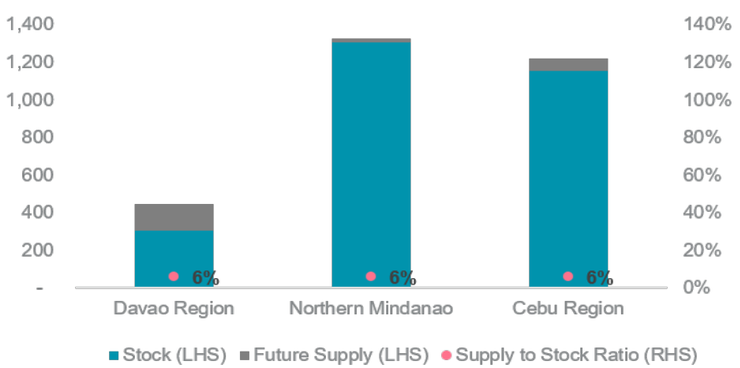
CALABA: SUPPLY TO STOCK RATIO (LOTS)



CENTRAL LUZON: SUPPLY TO STOCK RATIO (LOTS)



CEBU / MINDANAO: SUPPLY TO STOCK RATIO (LOTS)



Source: Cushman & Wakefield Philippines Research

SECONDARY CORRIDORS GAINING MOMENTUM

The Philippines' industrial real estate market holds a total inventory of 9,400 hectares, with 400 hectares scheduled for development between 2026 and 2028. Supply remains concentrated in key Luzon corridors—CALABA leads, while Batangas, Laguna, Cavite, Pampanga, and Tarlac contribute significantly, supported by improved expressway connectivity. A stable supply-to-stock ratio of 2%, with regional ratios below 10%, signals strong demand for modern facilities.

Outside Luzon, Metro Cebu (1,400 hectares) faces land scarcity and zoning constraints, while a considerable amount of new supply (mainly agro-industrial estates) are being planned in Mindanao (1,310 hectares). Global uncertainties have delayed some expansions by up to two years, moderating near-term growth across the market.

STRUCTURAL SHIFTS DEFINE THE MARKET

Build-to-suit (BTS) and pre-committed facilities are increasingly displacing speculative construction, as occupiers in e-commerce, distribution, and cold chain prioritize purpose-built, specification-aligned space. As demand intensifies, a northern growth corridor is emerging to complement the established southern belt. The *Pax Silica* designation of around 500 hectares out of the 1,618-hectare site at New Clark City—earmarked for AI infrastructure, chip assembly and testing, advanced semiconductor processing, critical mineral processing and high-end manufacturing—has drawn significant interest and is expected to generate downstream demand for supplier parks and warehousing.

HUMAN CAPITAL AND TECHNOLOGY DIMENSION

Technology is reshaping Philippine real estate demand rather than diminishing it. The AI-driven shift challenging traditional IT-BPM office space is simultaneously fueling industrial growth, with new warehouse leases increasingly oriented toward digital industries and third-party logistics operators. As automation intensifies, labor availability, skills depth, and human-centric facility design are becoming core underwriting criteria. Estates combining modern specifications with a skilled labor pool are best positioned to command premium rents and long-tenure commitments.

DIVERSIFICATION AND BUSINESS CONTINUITY PATHWAYS

Regional supply chain diversification continues to favor credible alternatives to concentrated manufacturing bases. Intra-Asia Pacific trade has grown roughly fivefold since 2000, and as mainland China moves up the value chain, Japanese, Taiwanese, and other established manufacturers are pursuing "plus-one" strategies across Southeast Asia. The Philippines—with its deep labor pool, competitive cost base, and expanding PEZA-ready estate inventory—is well positioned to capture this demand. Realizing that potential, however, depends on resolving persistent constraints: power reliability, infrastructure delivery, and engineering talent supply—factors on which competing economies across the region are also actively advancing.

KEY DEVELOPMENTS AND EMERGING OPPORTUNITIES

REGION	DEVELOPMENT	SIZE (HAS)	DEVELOPER
CALABA	• LIMA Technology Center Phase 5	60	• Aboitiz InfraCapital Economic Estates
	• Cavite Technopark (Phase 2B)	20	• Ayala Logistics Holdings Corp.
	• FPIP II (Expansion)	7	• First Philippine Holdings Corporation
Central Luzon	• TARI Estate (Phase 2)	184	• Aboitiz InfraCapital Economic Estates & House of Investments
	• SPPI New Clark City	100	• Science Park of the Philippines
	• Fortunetown Industrial Park	24	• Fortunetown Properties Corp.
Metro Cebu	• West Cebu Industrial Park (*Expansion*)	65	• Aboitiz InfraCapital Economic Estates
	• Macro-Asia Cebu Special Economic Zone (*Expansion*)	3	• MacroAsia Properties Development Corporation

Sources: Company Disclosures & Quarterly Market Reports ; Cushman & Wakefield Philippines Research

BUILD-TO-SUIT (BTS) LOGISTICS & WAREHOUSES

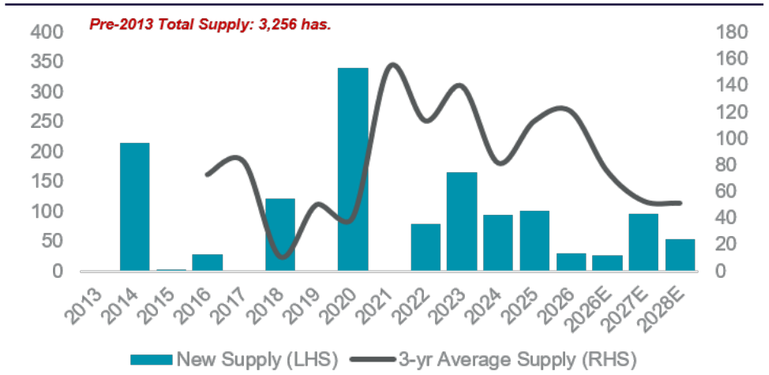
REGION	SUBMARKET	ESTIMATED GLA(SQM)	DEVELOPERS / PROPONENTS
Metro Manila	• Makati City • Paranaque City • Pasig City	90,000	• SM Prime Holdings Inc.
CALABAR	• Cavite • Laguna	244,000	• SM Prime Holdings Inc. • RLX Logistics • Daiichi Properties Inc.
Central Luzon	• Tarlac • Pampanga	115,000	• RLX Logistics • SM Prime Holdings Inc.
Metro Cebu	• Cebu City	15,000	• SM Prime Holdings Inc.
Western Visayas	• Iloilo City	28,000	• SM Prime Holdings, Inc.
Metro Davao	• Davao City • Davao del Sur	91,000	• RLX Logistics • SM Prime Holdings Inc.

Note: Estimated Committed as of Q2 2026
Sources: Company Disclosures & Quarterly Market Reports ; Cushman & Wakefield Philippines Research

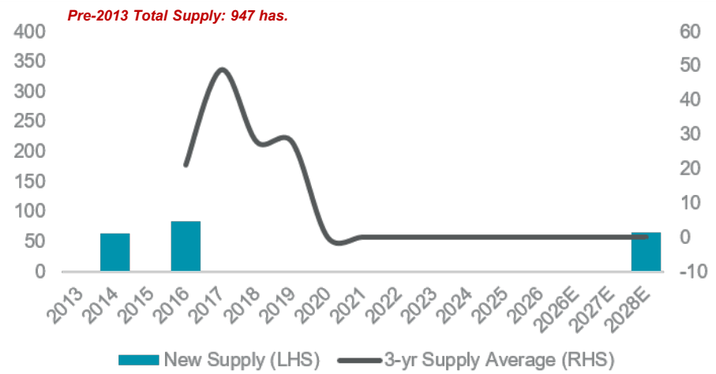
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LOGISTICS & INDUSTRIAL Q2 2026

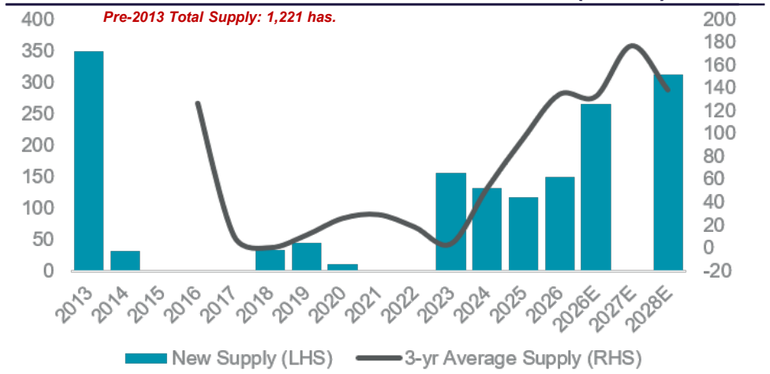
CALABA: ANNUAL NEW SUPPLY (LOTS)



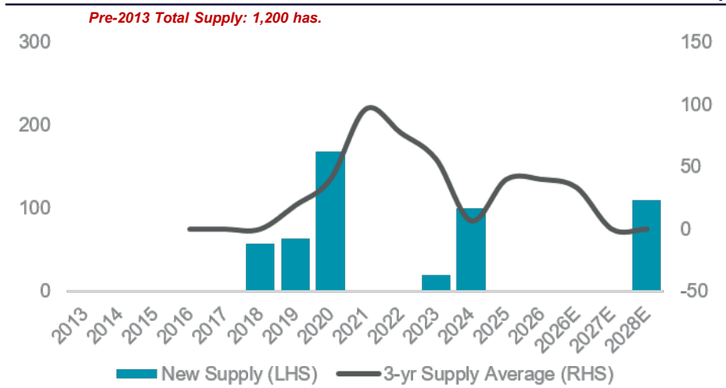
METRO CEBU: ANNUAL NEW SUPPLY (LOTS)



CENTRAL LUZON: ANNUAL NEW SUPPLY (LOTS)



METRO DAVAO/MINDANAO: ANNUAL NEW SUPPLY (LOTS)



Sources: Philippine Economic Zones Authority (PEZA), Cushman & Wakefield Philippines Research

KEY INVESTMENT TRENDS SHAPING THE QUARTER

- ***Pre-leased warehouses in PEZA zones***. Building or acquiring specification-aligned, pre-committed stock in PEZA-accredited estates offers durable, income-generating exposure aligned with the BTS shift.
- ***Foreign capital and operating businesses***. A weaker peso has made the Philippines more attractive to dollar-based buyers, who have shown a preference for operating businesses and platforms over standing buildings. The World Bank's certification of the Philippines as an upper-middle-income economy, together with a 99-year lease framework for foreigners, adds structural support to this interest.
- ***Family-owned warehouse portfolios***. Much of the existing warehouse market sits with small, family landlords, creating a window to consolidate portfolios before larger, better-capitalized players enter at scale.
- ***Energy as a space-taker and an asset theme***. The energy sector ranked as the second-largest industrial sub-industry by take-up commitment capital, with renewable-energy-ready sites emerging as a distinct investment lens.

WHAT THIS MEANS TO INVESTORS AND OCCUPIERS

The clearest investment signal is the divergence between passive office assets and operating-linked industrial opportunities. With the current BSP policy rate at 4.75% and significant vacant office stock unclaimed, financing office acquisitions at old pricing no longer holds. Logistics & Industrial, by contrast, strengthened its "buy now" thesis as warehouses out-leased offices during the quarter.

The cycle's strategic priorities require a parallel discipline around workforce viability. For occupiers, this means auditing facility design beyond compliance minimums. For investors and developers, shared workforce infrastructure—transport connectivity, rest facilities, and upskilling pathways—is a retention lever best delivered at the estate level, creating a genuine leasing differentiator.

MARKET OUTLOOK

The Philippine logistics and industrial market is positioned to sustain its recovery through the H2 2026, supported by structural demand drivers, disciplined supply, and robust investment inflows. The near-doubling of approved foreign investment, with manufacturing well represented, signals occupier demand that extends beyond near-term leasing cycles. CALABARZON remains the anchor corridor, while the emerging northern belt around Clark, Bulacan, and Pampanga introduces a second growth axis tied to AI, semiconductors, data centers, and renewable energy.

The maturation of occupier requirements—toward build-to-suit, energy efficiency, powered land, and workforce quality—should keep speculative construction measured, with pre-committed supply rising as a share of new additions.

Key risks remain: persistent geopolitical tensions and elevated input costs, soft export demand, a weak peso, higher-for-longer rates, and unresolved power, infrastructure, and talent gaps on which the northern corridor's promise depends.

For investors and occupiers, the strategic read is consistent. Favor income-generating, operating-linked industrial exposure over passive assets; prioritize PEZA-ready, pre-leased, and specification-aligned stock; treat power and renewable readiness as underwriting fundamentals; and position early in corridors where land is repricing ahead of demand.

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PHILIPPINES
LOGISTICS & INDUSTRIAL Q2 2026

MARKET STATISTICS (INDUSTRIAL ESTATES)

REGION	INVENTORY (HAS)	VACANCY RATE	PLANNED & UNDER CONSTRUCTION 2026E – 2028E (HAS)	RANGE OF SELLING PRICES		
				PHP / SQ.M.	US$/SF	EUR/SF
CALABA[1]	4,400	3.20%	190	10,000 – 20,800	15.1 – 31.5	13.2 – 27.5
Central Luzon[2]	2,100	8.00%	560	8,400 – 17,500	12.7 – 26.5	11.1 – 23.2
Metro Cebu[3]	1,100	3.00%	-	8,500 – 15,000	12.9 – 22.7	11.3 – 19.9
Metro Davao	300	3.20%	110	6,400 – 10,500	9.7 – 15.9	8.5 – 13.9
Northern Mindanao[4]	1,300	3.20%[6]	-	6,000 – 9,800	9.1 – 14.8	7.9 – 13.0
ALL PHILIPPINES[5]	**9,400***	**2.48%**	**860**	**9,000 – 17,500**	**16.0 – 25.0**	**14.0 – 21.8**

US$/PHP = 0.01628, EUR/PHP = 0.01425 as of June 30, 2026
Planned & Under Construction (HAS) in the next 2 years
Note: *Rounded off to nearest hundreds

KEY SALE TRANSACTIONS OF INDUSTRIAL LOTS Q2 2026

INDUSTRIAL PARK	SUBMARKET	SIZE
LIMA Estate	Batangas	47,918
LIMA Estate	Batangas	17,856
Cavite Technopark Phase 1	Cavite	10,070

KEY CONSTRUCTION COMPLETIONS – INDUSTRIAL ESTATES YTD 2026

PROPERTY	REGION	SUBMARKET	DEVELOPER	SIZE
Batangas Technopark Phase 1B	CALABA	Batangas	Ayala Logistics Holding Corp.	6.1
Filinvest Innovation Park New Clark City 1	Central Luzon	Tarlac	Filinvest Land Inc.	46.2

MARKET STATISTICS (LOGISTICS/STANDARD FACTORY BUILDINGS (SFB))

REGION	INVENTORY (SQM)	PLANNED & UNDER CONSTRUCTION 2026E – 2028E (SQM)	RANGE OF (HEADLINE) LEASE RATE		
			PHP / SQ.M.	US$/SF	EUR/SF
Metro Manila[1]	1,300,000	49,000*	300 – 650	0.5 – 1.1	0.4 – 0.9
CALABAR[2]	3,000,000	300,000*	210 – 450	0.3 – 0.7	0.3 – 0.6
Central Luzon[3]	1,600,000	300,000*	180 – 350	0.3 – 0.5	0.2 – 0.5
Metro Cebu[4]	250,000	15,000*	200 – 450	0.3 – 0.7	0.3 – 0.6
Western Visayas[5]	175,000	28,000*	150 – 300	0.2 – 0.5	0.2 – 0.4
Metro Davao[6]	200,000	138,000*	175 – 350	0.3 – 0.5	0.2 – 0.5
Northern Mindanao[7]	210,000	64,000	125 – 300	0.2 – 0.5	0.2 – 0.4
ALL PHILIPPINES	**6,735,000**	**900,000**	**180 - 550**	**0.3 – 0.6**	**0.2 – 0.5**

US$/PHP = 0.01628, EUR/PHP = 0.01425 as of June 30, 2026
*Planned & Under Construction (SQM) in the next 2 years (including *BTS)*
Note: *Rounded off to nearest ten thousands

KEY LEASE TRANSACTIONS OF LOGISTICS/SFB Q2 2026

LOCATOR	SUBMARKET	INDUSTRIAL PARK	TYPE
TRADAM Import-Export Corp.	Laguna	Carmelray Industrial Park II	New
Tokai Electronic Co.	Cavite	LIMA Estate	New

Sources: Board of Investments; Cushman & Wakefield Philippines Research

KEY CONSTRUCTION COMPLETIONS – LOGISTICS/SFB YTD 2026

PROPERTY	REGION	SUBMARKET	DEVELOPER	SIZE
Ready-built-Factories – FIP NCC Phase 1	Central Luzon	Tarlac	Filinvest Land Inc.	52,500
Rhenus Group	Metro Manila	Paranaque	Rhenus Warehousing Solutions Philippines	3,270

Sources: Board of Investments; Cushman & Wakefield Philippines Research

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PHILIPPINES
LOGISTICS & INDUSTRIAL Q2 2026

DEFINITION/CLASSIFICATIONS OF LOGISTICS/SFB FACILITIES IN THE PHILIPPINES

	Grade A	Grade B	Grade C
Average Size	≥ 6,000 sqm	≥ 3,000 sqm	< 3,000 sqm
Ceiling Height			
Shoulder Height	≥ 12.0 m	≥ 9.0 m	< 7.0 m
Apex Height	≥ 16.0 m	≥ 12.0 m	≥ 9.0 m
Indicative Lease Rate	~PHP 400 - 650 /sqm/month	~PHP 250 - 420 /sqm/month	~PHP 150 - 300 /sqm/month
Floor Loading Capacity	Fiber-reinforced concrete slabs to support high-load bearing with weighted capacity of at least 5 tons/sq.m.	Floor capacity ranges from standard reinforced floors (3-4 tons/sq.m.)	Rely on ground-bearing concrete slabs, typically handling between 2-4 tons/sq.m.
Loading Dock Ratio	1 : 500-1,000 sqm	1: 2,000-3,000 sqm	1 : > 4,000 sqm
Loading Dock Features	Standard features include hydraulic dock levelers, high-speed sectional doors, dock seal and vehicle restrain systems	Majority equipped with hydraulic dock levelers, high-speed sectional doors, dock seal and vehicle restrain systems	Often lacking with proper dock levelers, weather seals and grade-level doors; assisted by manual ramps or forklifts
Truck Court Depths	> 130 ft	120-130 ft	< 120 ft
Lease Term Duration	Typically 3–5 years for standard warehouses 5–10 years for higher-spec, institutional-grade facilities		Tighter, more flexible or short-term leasing options
Facilities & Security	Gated compounds with 24/7 security, CCTV, fire suppression, wide driveways and cross-docking		Basic security; may require additional CAPEX for upgrading fire & safety/security systems
Developer/Operator Profile	National players with established development track record; global transport and logistics providers		Mid-sized, local players with a focus niche sector strategy
Locations	Key industrial zones with expressways and seaport access.		Denser, inner-city or secondary zones (e.g., portions of Metro Manila, older provincial industrial parks)

Compiled by: Cushman & Wakefield Philippines Research

HISTORICAL SELLING PRICES OF INDUSTRIAL ESTATES IN THE PHILIPPINES



Figures are in PHP per sq.m.
Sources: Philippine Economic Zones Authority (PEZA), Cushman & Wakefield Philippines Research

METHODOLOGY

Cushman & Wakefield's quarterly estimates are derived from a variety of data sources, including its own proprietary database, and historical data from third party data sources. The market statistics are calculated from a base building inventory made up of industrial properties deemed to be competitive in the local industrial markets. The inventory is subject to revisions due to resampling. Vacant space is defined as space that is available immediately or imminently after the end of the quarter. Sublet space still occupied by the tenant is not counted as available space. The figures provided for the current quarter are preliminary, and all information contained in the report is subject to correction of errors and revisions based on additional data received.

Definition (Estates)

Vacancy Rate	Current vacancy divided by total Land Area where the space is immediately available
Selling Price Range	Published/offered selling price for the quarter

Definition (Logistics)

Lease Rate Range	Published/offered lease rates for the quarter

Scope of Basket (Estates)

Survey target is based on primary offerings/sales by major developers within master planned industrial estates.

Area Coverage:
[1]Cavite, Laguna, and Batangas
[2]Bulacan, Pampanga, Tarlac, and Zambales
[3]Cebu City, Lapu-Lapu City, Danao City, Naga, and Balamban
[4]Davao City, Davao Del Norte, and Misamis Oriental
[5]CALABA, Central Luzon, Metro Cebu, Metro Davao, Northern Mindanao
[6]Davao City, Davao Del Norte, excluding Misamis Oriental

Scope of Basket (Logistics)

Survey target is based on large multi-tenant logistics facilities with estimated GLA 2,500 sq.m. and over.

Area Coverage:
[1]National Capital Region
[2]Cavite, Laguna, Batangas and Rizal
[3]Bulacan, Pampanga, Tarlac, and Zambales
[4]Cebu City, Lapu-Lapu City, Danao City, Naga, and Balamban
[5]Iloilo, Negros Occidental and Negros Oriental
[6]Davao City, Davao Del Norte, and Davao Del Sur
[7]Misamis Oriental and Zamboanga Del Sur

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