



MARKET FUNDAMENTALS

	YOY Chg	Outlook
4.2% Vacancy Rate	▲	▲
9,000 Existing Supply, Ha	▼	▲
440 Pipeline (2026E-2027E), Ha	▼	▲
10,000 – 16,500 Ave. Selling Price, PSQM <i>(Industrial Plots, Primary)</i>	—	—

ECONOMIC INDICATORS

	YOY Chg	Outlook
PHP 103B Approved Foreign Investments (Q4 2025)	▲	▲
52.9 Ave. Purchasing Manager's Index (Q1 2026)	▲	▲
PHP 938B Exports of Goods (Q4 2025)	▲	—

Note: At Constant 2018 Prices
Source: Moody's, S&P Global, BSP, PSA

CAPITAL INFLOWS SUSTAIN INDUSTRIAL GROWTH PROSPECTS

- In March, the Philippine manufacturing sector experienced a notable deceleration, with the S&P Global Purchasing Managers' Index (PMI) sliding to a three-month low of 51.3 from 54.6 in February, also marking the weakest reading since the 50.2 recorded in December. This slowdown was primarily driven by escalating geopolitical tensions in the Middle East, which prompted a national energy emergency and triggered significant supply chain disruptions. Similarly, manufacturing momentum in several ASEAN countries softened in March, with the regional PMI falling to 51.8 from 53.8 in the previous month. In the Philippines, industrial output and new export orders contracted, prompting manufacturers to halt procurement activities to mitigate escalating fuel and raw material costs.
- In the final quarter of 2025, approved Foreign Investments (FI) surged to PHP 103.33 billion, demonstrating a robust 79.1% year-over-year growth compared to Q4 2024. The energy and utilities sector captured the highest concentration of foreign capital at 47.8%, with the manufacturing sector following at 33.6%. Geographically, CALABARZON secured the largest volume of FI pledges at 45.3%, while Central Luzon accounted for 34.2%. The FDI influx was primarily driven by the Netherlands, which contributed 32.0% of total foreign pledges, followed closely by strategic capital from Japan (17.3%) and Singapore (17.1%).

HIGH-VALUE MANUFACTURING AND LOGISTICS ANCHOR INDUSTRIAL REAL ESTATE DEMAND

- Industrial real estate is experiencing sustained demand, driven by strategic capital deployment within PEZA-accredited and established ecozones. This dynamic market expansion is primarily driven by an influx of diversified Asian and Western capital that effectively mitigates single-market exposure while bolstering specialized manufacturing and supply chain operations. There is an observed heavy concentration in high-value sectors such as semiconductors, aviation maintenance, repair, and overhaul (MRO), precision engineering, and logistics. Notable investments include Lufthansa Technik's US\$ 400 million hangar expansion in Clark and Tong Hsing Electronics' advanced cleanroom facility in Laguna.

VACANCY LEVELS INDICATE STRONG ABSORPTION IN CORE INDUSTRIAL MARKETS

- Vacancy levels across Philippine industrial estates remain structurally low, signaling sustained occupier demand and limited excess capacity. At the national level, the vacancy rate stands at 4.2% across approximately 9,000 hectares (ha) of inventory. CALABA exhibits the strongest fundamentals, with Batangas (1.7%) and Laguna (3.6%) operating near full occupancy. In contrast, Cavite (5%) records comparatively higher vacancy that is attributable to progressive expansions in the area.

MARKET OUTLOOK

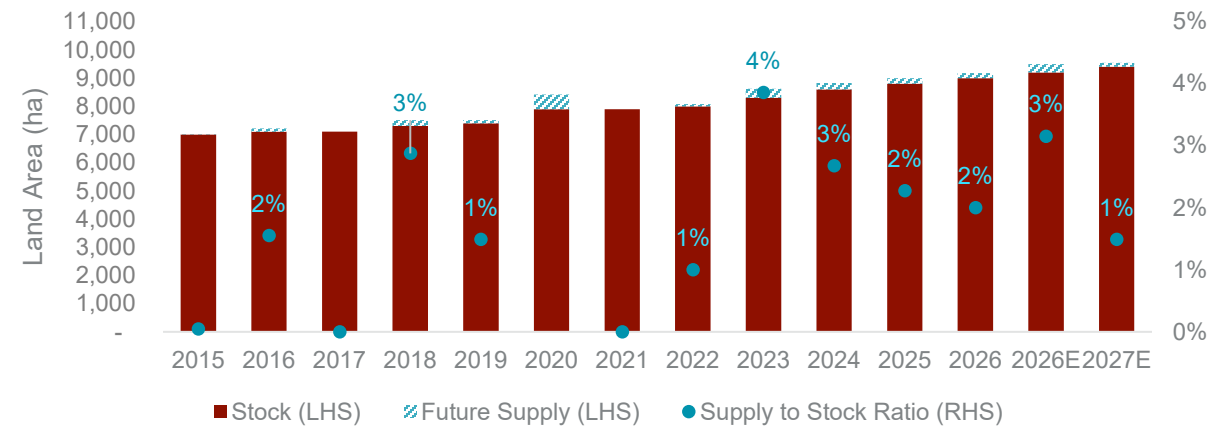
Energy Volatility and Cost Management: Rising oil prices are elevating logistics and manufacturing costs across the Philippines, making energy-efficient facilities and ESG compliance a top priority for occupiers and investors. Landlords are accelerating retrofits and integrating renewables to reduce expenses and attract premium tenants. Energy resilience now differentiates assets in a competitive market, with sustainable properties commanding stable valuations. Effectively managing energy volatility is critical for maintaining long-term competitiveness and operational stability in Philippine industrial real estate.

Logistics and Supply Chain Expansion: Logistics hubs in Central Luzon, Cebu, and Northern Mindanao are driving industrial demand in the Philippines, supported by new direct links to ports and airports and improving labor quality and skills. E-commerce, cold storage, and semiconductor occupiers migrating from neighboring countries are accelerating demand for international grade developments. Developers and investors prioritize estates with strategic connectivity, positioning logistics assets as defensive plays that offer stable cash flows and resilient investment performance in a price-sensitive and volatile market. Robust infrastructure continues to solidify these growth corridors' strategic relevance.

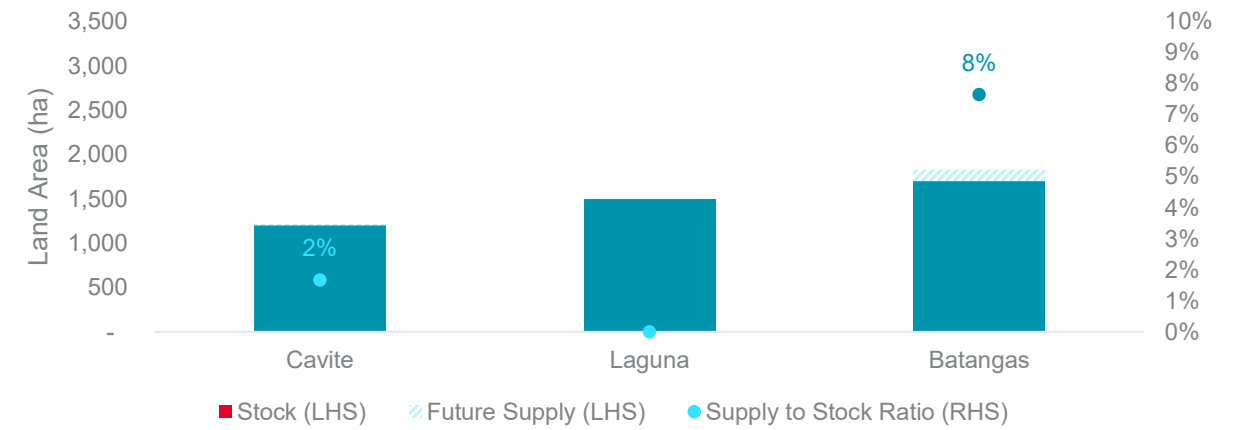
Yield Advantage of Industrial Assets: Industrial assets in the Philippines offer superior investment yields, surpassing office yields, due to limited zoned land and sustained demand from logistics and manufacturing occupiers. These properties deliver resilient cash flows and serve as a hedge against market volatility, attracting increased capital allocations from investors. Developers are capitalizing on opportunities in new industrial parks, while modern facilities allow occupiers to meet operational needs and enable long-term growth, further strengthening the sector's appeal in a shifting market.

Policy and Structural Drivers: The new 99-year land lease law boosts the Philippines' competitiveness as a manufacturing hub, attracting foreign investment in semiconductors, automotive, and renewables. Developers are moving into suburban growth corridors, and investors are strengthening capital commitments. This reform secures occupier tenure, encourages long-term investment, and solidifies industrial real estate as a foundation for economic resilience and strategic growth amid global market volatility.

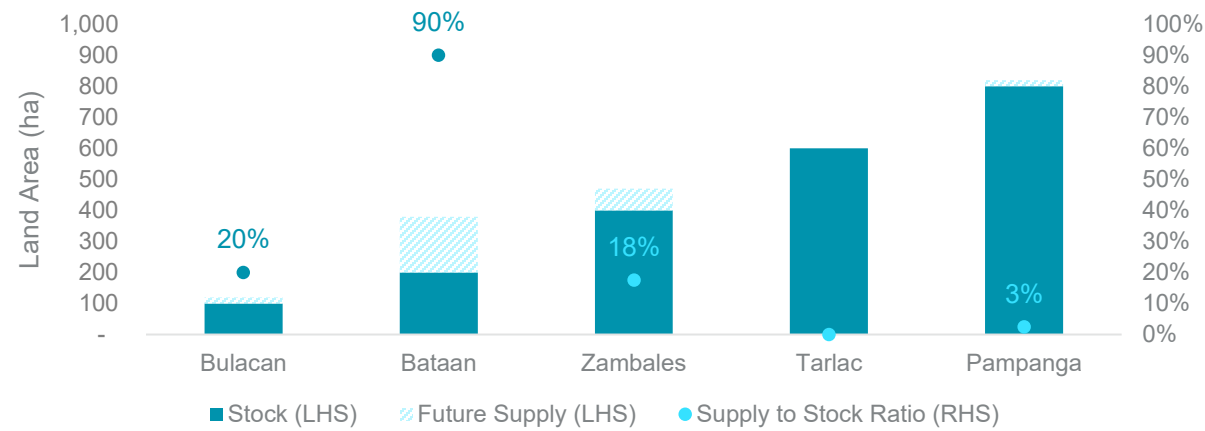
OVERALL PHILIPPINES: SUPPLY TO STOCK RATIO



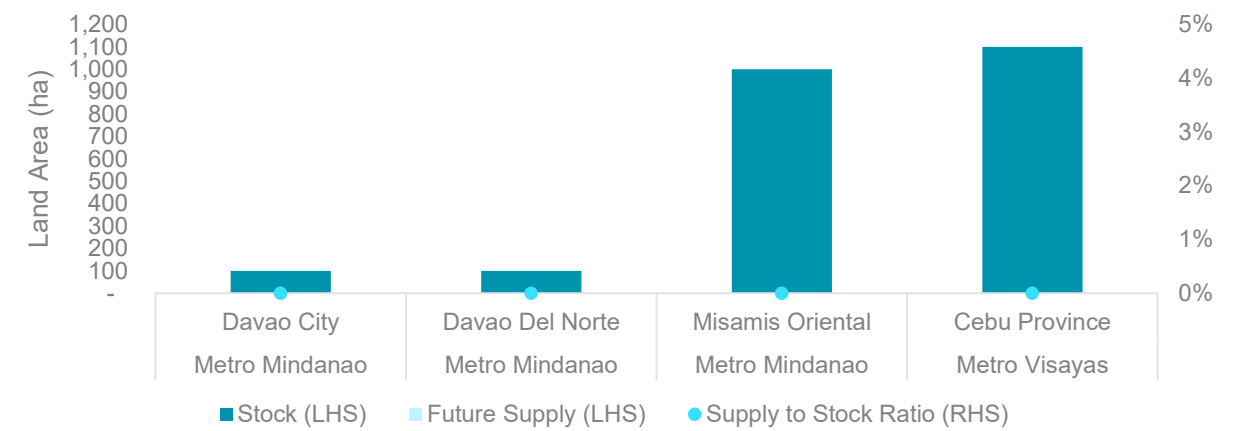
CALABA: SUPPLY TO STOCK RATIO



CENTRAL LUZON: SUPPLY TO STOCK RATIO



METRO VISAYAS & METRO MINDANAO: SUPPLY TO STOCK RATIO



INDUSTRIAL REAL ESTATE SUPPLY EXPANDS SELECTIVELY ACROSS CORE AND EMERGING CORRIDORS

Concentrated supply base with limited near-term expansion: Industrial real estate supply in the Philippines remains highly concentrated along key Luzon based economic corridors. Total national inventory is estimated at 9,000 ha, with an additional 440 ha in the pipeline for 2026E to 2027E, translating to a moderate supply to stock ratio of around 2%, which is indicative of demand driven rather than speculative expansion. CALABA continues to anchor supply, with Batangas and Laguna holding roughly 1,500–1,700 ha each, augmented by limited pipeline additions, while Cavite contributes a further ~1,200 ha. Regional supply to stock ratios remain below 10%, suggesting efficient absorption and continued demand for modern, institutional grade facilities.

Emerging secondary corridors and supply realignment: In Central Luzon, supply growth is more material relative to its existing industrial base. Pampanga currently holds approximately 800 ha of inventory, while Tarlac maintains around 600 ha, supported by improving expressway connectivity and logistics-led demand. Bulacan and Bataan continue to function as secondary markets, each with inventories below 500 ha and limited pipeline activity. In light of heightened global uncertainty from the ongoing Middle East crisis, several developers have opted to defer the completion of planned expansions by up to two years, contributing to a more measured near-term supply outlook.

Constrained provincial markets and structural tightness: Outside Luzon, Metro Cebu accounts for roughly 1,100 ha of existing stock but records no near-term future supply, constrained by land scarcity, zoning restrictions, and parcel aggregation challenges. Adjacent areas such as Talisay and Naga have yet to see meaningful industrial development due to accessibility limitations. Similarly, Metro Mindanao remains nascent, with total stock of 1,200 ha.

MARKET STATISTICS

REGION	INVENTORY (HA)	VACANCY RATE	PLANNED & UNDER CONSTRUCTION 2026E – 2027E (HAS)	RANGE OF SELLING PRICES		
				PHP / SQ.M.	US\$/SF	EUR/SF
CALABA ¹	4,400	3.3%	130	13,000 – 20,800	20.5 – 32.1	17.8 – 27.8
Central Luzon ²	2,100	9.0%	270	8,400 – 13,250	12.9 – 20.3	11.3 – 17.6
Metro Cebu ³	1,100	3.2%	-	8,500 – 13,350	13.2 – 20.6	11.4 – 17.9
Metro Davao	184	3.3%	-	6,400 – 10,100	9.9 – 15.6	8.6 – 13.5
Northern Mindanao ⁴	1,200	3.2% ⁶	-	6,000 – 9,700	9.5 – 14.9	8.3 – 12.9
ALL PHILIPPINES⁵	9,000*	4.2%	400	10,560 – 16,500	16.2 – 25.4	14.1 – 22.0

US\$/PHP = 0.01654, EUR/PHP = 0.01433 as of March 31, 2026

Planned & Under Construction (HAS) in the next 2 years

Note: *Rounded off to nearest hundreds

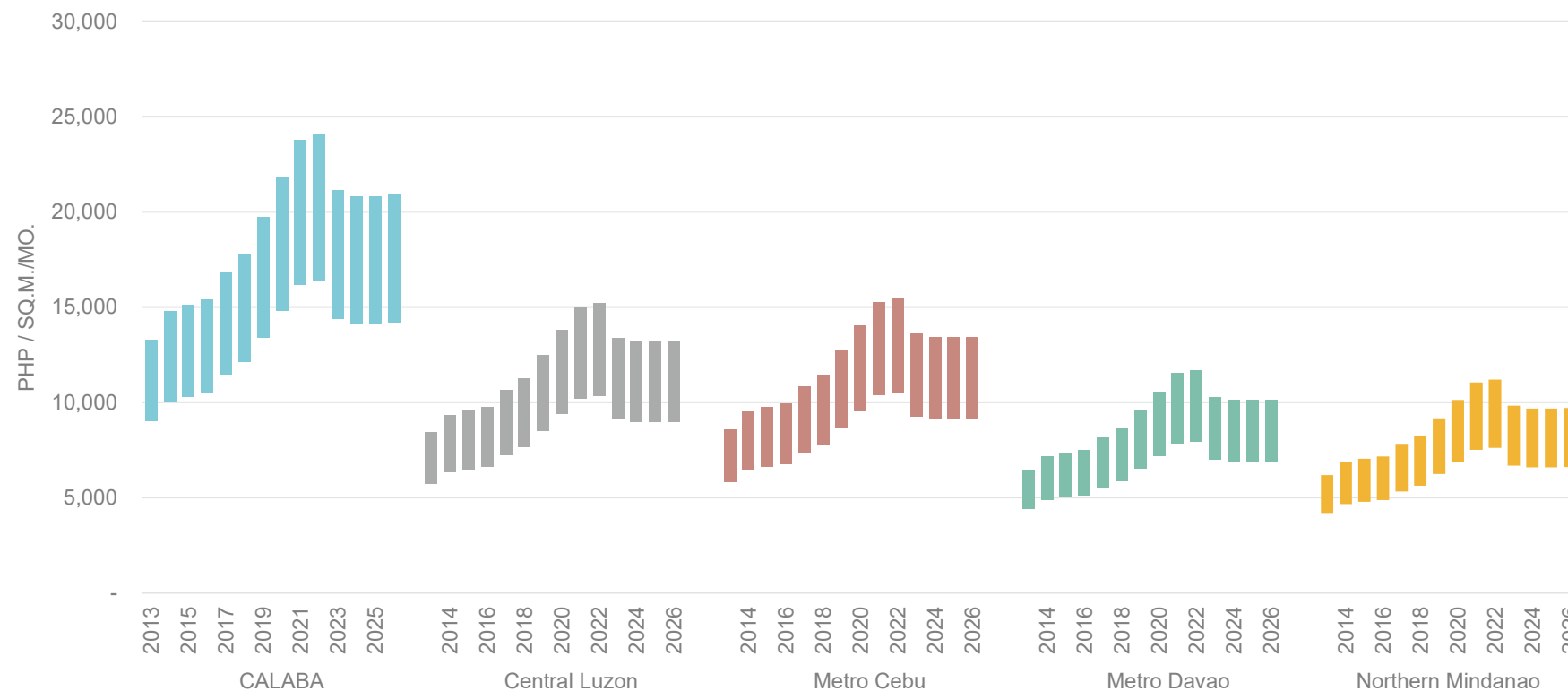
KEY MARKET TRANSACTIONS Q1 2026

LOCATOR	REGION	SUBMARKET	INDUSTRIAL PARK	SQM	TYPE
NanoForge Solutions	CALABA	Cavite	Golden Mile Business Park	2,600	New
Mnex	CALABA	Batangas	LIMA Estate	3,417	New
ALPLA	CALABA	Laguna	Filinvest Technology Park - Ciudad de Calamba	4,800	New

KEY CONSTRUCTION COMPLETIONS Q1 2026

PROPERTY	REGION	SUBMARKET	DEVELOPER	HAS	TYPE
Pampanga Technopark Phase 6	Central Luzon	Pampanga	Ayala Logistics Holding Corp.	14	Expansion

HISTORICAL SELLING PRICE RANGES BY SUBMARKET



Scope of Basket

The basket used for vacancy and selling price analysis covers approximately 89% of the market across major locations (i.e., CALABA, Central Luzon, Metro Cebu, Metro Davao, and Northern Mindanao).

Selling Price, Inventory, and Vacancy Rate are as of Q1 2026.

Area Coverage:

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

Definition

Vacancy Rate	Land area that is currently unoccupied and immediately available, relative to the overall existing industrial land stock.
Selling Price Range	Published or offered range of selling prices.
Supply to Stock Ratio	Future new supply divided by existing stock

CLARO CORDERO JR.

Director

Research, Consulting & Advisory Services

claro.cordero@cushwake.com

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