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Breaking more Grounds

These days, it seems everywhere you look, a new building is being constructed. A clear indication of the continued upsurge of the real estate industry, withstanding even the threats of a ripple effect from the housing slump in the United States.

Breaking, S5/2



Breaking,

SS/1

In fact, latest data from the National Statistical Coordination Board showed that the real estate sector posted the highest growth among all sectors in the economy during the fourth quarter of last year at 15.3% growth, compared to the same period the previous year.

The growth was bolstered by the increased income from office space rental and leasing operations in the business process outsourcing industry. Growth was also fueled by the demand from Filipinos living and working abroad. It is estimated that about 60% to 90% of the properties are sold to Filipino immigrants abroad and their families.

A COMPETITIVE FIELD

With the market abuzz with activities, expect competition among players to be cutthroat. And the competition is even more intense among the bigger players who are all fighting to be the first to introduce the newest and the most innovative product in the industry.

"Players in each market segment are coming up with better projects, better designs, and competitive financing terms. Marketing networks are beefed up to reach their target markets," said Cynthia Yap, general manager of property brokerage firm Cynthia Palad-Yap Real Estate Movers, Inc.

Property consultant Bong Aguila Jr., of brokerage firm Road88Realty, in a separate interview said: "It is a competition wherein companies who persisted and remained standing from the 1997 property bust gained con-

trol, expanded and eventually dominate the market."

The string of construction all over the metro, they said, is partly a result of the drive of the players to beat each other. The ability to innovate and deliver the market expectations are necessary to keep one company survive the competition, Mr. Aguila said.

SUSTAINING THE GROWTH

The rapid growth in the sector is expected to continue until 2010. "The promising economic condition of our country is a good indication that the growth will continue. It's actually the basis," Mr. Aguila said.

Nowadays, developers are adjusting to a changing market — a market that is becoming more and more segmented. Developers have also begun to consider the access of the sites to efficient transportation modes such as the LRT and MRT and other future road developments. Travel time from the site to the work place, to the children's school, church, hospital and especially to the mall is also given more importance this time.

In addition, one of the major industry trends now is the rise of the "green architecture" concept in building designs. "Developers will look closely at the environmental issues concerning the building design: looking into the airconditioning of the buildings, water recycling in a condo development, building designs which could maximize natural light—thus saving energy," said Ms. Yap.

She also said that at the moment, very few condominiums have ramps for disabled people. Thus, expect developers to invest



in building designs that are more sensitive to the needs of the elderly and the disabled.

Other trends in property design and services include the introduction of more products that have better material specifications and higher quality in terms of workmanship; customized projects or those that are made to address the specific needs of the clients; and a much better customer service from real estate developers.

MARKETS

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mostly of skilled Filipino professionals — doctors, nurses, engineers, information technology professionals and architects, among others. With more disposable income, they will continue to fuel the demand for properties in the future.

Retirees from abroad are also a lucrative target for the industry. And with the help of the medical tourism initiative, expect its share in the pie to increase eventually.

Indeed, after posting a satisfying performance last year, the industry is in for another record year. But for developers the challenge of tapping new markets remains. Thus, expect the competition to heat up

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