



MAKING HARD CHOICES. Climate change is a global issue, and it is up to Filipinos themselves “to make the hard choices for us to be resilient.” Ferdz dela Cruz, former chief executive officer of Manila Water Company, Inc. (Inset), emphasized the urgency of the water security issue for Metro Manila and other major urban areas in the country, and batted for “constructive dialog without the misinformation” at a media roundtable held last week by Lamudi. De la Cruz led speakers who talked about building resilient and sustainable cities, but reserved his best comments for the lack of long term solutions to water shortage and climate change. At the round table were (from left) Bhavna Suresh, chief executive officer, Lamudi; Angela Ibay, head, climate and energy program of the World Wide Fund for Nature; James Buskowitz, chief executive officer of Buskowitz Group; Amado de Jesus, vice chairman of the Philippine Green Building Initiative; JJ Fernandez, strategic management consultant of Menarco development corporation; Justine Santos-Sugay, director for resource development and communications of Habitat for Humanity; and Aina Cruz, marketing manager, Lamudi.



UNCOMMON TOUCH. Century Properties Group Inc. recently completed Roxas West, the fifth residential tower of the Residences at Commonwealth in Quezon City. Two more buildings, Quirino East and Quirino West, are set to be completed this year. “We have envisioned this project as a covetable vertical village in Quezon City that is safe, well-designed and packed with amenities for different pursuits in life,” said Marco R. Antonio, Century Properties’ president and chief executive officer. Commonwealth by Century is an eight-tower mid-rise community along Don Antonio Drive near Commonwealth Avenue, a stone’s throw away from the future MRT 7 Don Antonio Station. The project was named as the best mid-end condominium development in Metro Manila at the 2018 Philippine Property Awards. The “uncommon” amenities and features of the development include a multipurpose room, show kitchen, rock and roll studio, arts and crafts studio, a gym and dance studio, movie room, and Salon, all located in the clubhouse (Seen in photo). Outside the clubhouse is an open space with a yoga deck, basketball court, and children’s playground. Pools and other water features will soon be available.



GROWTH OPPORTUNITY IN THE SOUTH. Property developer Cathay Land expects investors to have strong interest in the residential units of Ananda Square, since the project will be Alabang’s newest commercial and residential landmark. Located along Alabang-Zapote Road in Las Piñas City, Ananda Square will host a supermarket, coffee shops, restaurants, banks and more retail choices in its three-floor mall. Cathay Land president Jeffrey Ng said the promise of a new shopping mecca, and the prevailing real estate boom in the South – with prices of similar condominium projects hovering north of P200,000 per square meter – will give Ananda Square an edge among buyers and investors. The first of Ananda Square’s four towers is a 20-storey mixed-use building that will feature about 700 units and will be comprised mainly of studio units and 1-bedroom suites. “With our attractive pricing, we are confident that we can tap a good mix of young professionals working in the Alabang CBD and beyond, those who are growing their families, and those who are looking to make investments in the South as it grows its commercial and industrial hubs even further,” Ng said. Ananda Square units start at around P98,000 per square meter. A 24-sq.m. studio unit starts at P2.8 Million, whereas a 32.63-sq.m. 1-bedroom unit goes for up to P3.2 Million. Bigger spaces are available at the two penthouse floors, where buyers have option to combine adjacent units.



LEVELLING UP

The Chamber of Real Estate & Builders’ Associations Inc. (CREBA) and De La Salle College of Saint Benilde School of Professional and Continuing Education (DLS-CSB SPACE) will kick off today a certificate course, “real estate planning, development and environmental concerns,” at the CSB School of Design and Arts at P. Ocampo Street. The course, the third of six modules under the executive diploma program in real estate management (EDPREM), will be held from 1:00 to 8:30 PM. It will run for four consecutive Saturdays until October 26. CREBA, headed by National president Noel Toti M. Cariño, is the Philippine umbrella organization of the real estate and housing industry composed of property developers, builders, contractors, suppliers and manufacturers of construction materials, real estate service practitioners and other professionals and entities engaged in over 70 allied fields. For inquiries, please write to creba_national@yahoo.com, or space@benilde.edu.ph.



WIDENING A PROJECT’S SCOPE. Real estate developers believe that incorporating a sustainable and reliable source of power into projects aids the market in better appreciating the surrounding regions of Metro Manila.

SUSTAINABLE, AFFORDABLE POWER BOON TO PROPERTY DEVELOPMENT

THE real estate sector, one of the Philippine economy’s consistent growth drivers for the past decade, looks forward to the impact of more stable and reasonably-priced power for their property developments, with the recently successful conduct of the Competitive Selection Process (CSP).

“Reliable sources of power keeps prices of real estate developments stable for consumers, and adds value to the concerned project,” Jeffrey Ng, president of Cathay Land, told the Manila Standard. “This serves as an inspiration, or benchmark, to future projects from developers of all scales.”

Added Antonio Jaime Jose V. Fernandez, strategic management consultant, of Menarco Development Corp.: “power is important for developers...this is what our customers want. If the government and private sector can deliver on this, this would be an ideal scenario”

Terrie Fucanan-Yu, Century Properties Group, Inc. vice-president for corporate communications, agreed, noting that stable-priced power and the availability of renewable energy sources in real estate operations will positively impact the business of real estate developers in terms of cost savings for construction and operations / property management.

“As for sales efforts on whether this could be a selling point, it may not yet be the predominant selling point for residential properties for now,” Yu said. “But if given the option with proper information on customer benefits and cost savings, the market may start converting into greener projects sooner rather than later.”

TRANSPARENT, MARKET-DRIVEN

The CSP, borne out of a Supreme Court ruling that all power supply agreements (PSAs) are now obliged to undergo the CSP, allows all potential suppliers to bid for the contract, and get the best power deal for consumers.

The PSA is a requirement from the Energy Regulatory Commission (ERC) and Department of Energy (DOE) to encourage generation companies to build power plants in order to meet the country’s demand aimed at making the cost of electricity product more transparent and market-driven.

Fernandez pointed to the Menarco Tower, a 32-storey office building along the 32nd tower in BGC, by the Menarco Development Corporation. The project, which recently garnered a Well gold certification from the International Well Building Institute (IWBI) Asia, is an example, of a development which measures and monitors the health and well-being of buildings and its occupants.

A chief executive officer of a leading real estate development company e-mailed the Manila Standard, noting that most of their customers “expect that sta-

ble and reliable power is a given.” The CEO, who declined to be identified, explained that power supply is critical, for example for BPO-type projects that run for 24 hours.

“You’d be surprised how much power a fully-staffed BPO office consumes,” the executive, whose company recently tied up with a Japanese real estate giant to build a major condominium/mall project in one of Metro Manila’s central business districts, said.

“Its not just the masses of computers, but also the large servers and other equipment, plus the A/C needed to keep everything and everyone cool,” he explained. Power is one of the biggest expenses of this type of company so, a predictable power cost is an advantage because BPO companies will need to commit to their clients a stable processing fee for the work that they do.”

REAL MARKET FORCES

The first CSP conducted by power distributor Meralco, and administered by a Third-Party Bids and Awards Committee (TBAC), recently resulted in three successfully-bidder PSAs with three companies for the supply of a 500 MW megawatt of mid-merit capacity effective this December for a term of five years.

Meralco signed the PSAs with First Gen Hydro Power Corp., Phinma Energy Corp. of the Ayala Group and South Premiere Power Corp. of San Miguel Corp. after their respective offers were declared to be the best bids by the third party bids and awards committee during a bidding last September 11.

Various industries lauded the PSAs, which reportedly paves the way for market forces to determine the electricity rates small, medium and large-scale businesses would pay. The policy to subject power supplies to a competitive selection process, or bidding, makes the cost of electricity product more transparent and market-driven, businessmen pointed out.

“FPI welcomes the news of this much-needed additional power, to meet the growing demand of our country,” said FPI chairman Jesus Arranza in a statement.

“We welcome the entry of any and all generation companies interested in contributing to the grid, in order to create a more secure power supply situation for all industries, and ultimately, all consumers.”

The group, a prime mover of Philippine industries, expressed support for the Energy Department circular requiring distribution utilities to procure power through the competitive selection process, or bidding.

The results of the bidding will reportedly benefit electricity consumers. They can save around P0.28 per kwh or P9.46 billion annually for 10 years starting in 2020 from the new 1,200-MW PSA.

On the 500-MW contract, consumers are expected to save another P4.4 billion annually over the next five years. This is equivalent to an additional rate reduction of around P0.13 per kWh for consumers by the end of the year.

The CSP imposes penalties on the winning bidder if it fails to honor its contract. The terms of the supply deal stipulate that the generator that fails to follow through

with the contracted capacity will pay a fine of P908 multiplied by each megawatt-hour per day. The fine will be used to reduce the generation charge to consumers.

Constructing new power plants is an urgent measure to solve the country’s energy security requirements. The ostensible objective is to avoid the serious power shortages in the early 90s that crippled the Philippine economy.

AID IN EXPANSION PLANS OUTSIDE MM

“We are confident that the prices resulting from this bidding are the least cost to consumers,” said the real estate CEO who requested anonymity. “For us developers, we are encouraged by the promise to reduce plant outages which can affect our projects and operations, as well as penalties that will be slapped on generator companies who are unable to deliver as they promised.”

Cathay land’s Ng said the government and private sector push for more reliable electricity will help developers as they push for expansion outside the country’s capital, expanding into other urban centers as they search for strategic places to expand their businesses, and diversify their portfolio.

“We’re looking at key growth areas or cities,” he explained. “As we study the current needs of these areas based on their key industries and market profile, power will play a key role in servicing population, density, proximity to industrial centers or places of work, city competitiveness, and demographic factors such as income, age, and livelihood sources, factors which we look at before deciding on the type of product to develop.”

REDUCING THE CARBON FOOTPRINT

All the developers interviewed by Manila Standard agreed that more sustainable, and affordable power supply would benefit at least five cities, aside from Metro Manila, amid steady growth in their economy, tourism and property demand. These are the cities of Clark, Cebu, Iloilo, Bacolod and Davao.

“Due to a lack of exposure to regions outside of MM, there are times these regions have a false negative connotation in terms of reliability, liveability and accessibility,” Ng said. “By incorporating a sustainable and reliable source of power into projects, it not only aids the market in better appreciating the surrounding regions of MM, but also potentially helps reduce carbon footprint.”

“Reliable and affordable power supply is so important especially for projects outside of Metro Manila, where key infrastructure is crucial,” Yu averred. “Developers are actually in a better timing now more than ever as new technologies are more available at a lower price.”

Added Fernandez, by incorporating sustainable features, power-driven amenities, LEEDS and similar certifications, developers like Menarco can show that a development is ready to accommodate not only industries of today, but also of the future. “A sustainable power supply can help widen our market scope,” he said.