

The logo for Rider Levett Bucknall, consisting of the letters 'RLB' in white on a dark blue square background.

RLB

Rider
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Bucknall



THIRD QUARTER 2024

RIDER LEVETT BUCKNALL PHILIPPINES REPORT

CONSTRUCTION MARKET QUARTERLY UPDATE



Hann Casino Resort

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MARKET SUMMARY
THE PHILIPPINE ECONOMY

Philippine Economy Grows by 5.7% in Q1 2024

The Philippine Gross Domestic Product (GDP) posted a growth of 5.7 percent in the first quarter of 2024.

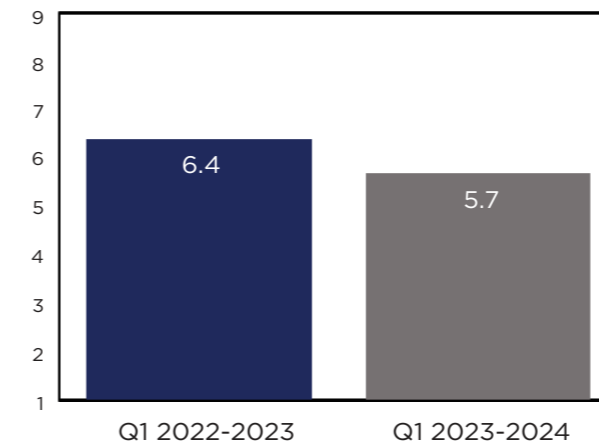
Financial and Insurance Activities; Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles; and Manufacturing were the main contributors of growth for the quarter.

Among the major economic sectors, Agriculture, Forestry and Fishing, Industry, and Services all posted positive growths in the first quarter of 2024 with 0.4 percent, 5.1 percent, and 6.9 percent, respectively.

On the demand side, Household Final Consumption Expenditure (HFCE) grew by 4.6 percent in the first quarter of 2024.

Net Primary Income (NPI) grew by 57.0 percent during the quarter. Gross National Income (GNI) grew by 9.7 percent for the first quarter of 2024.

GROSS DOMESTIC PRODUCT
Year-on-Year Growth Rates (%),
Q1 2022-2023 and Q1 2023-2024



Data source: PSA

PHILIPPINES IN FIGURES

Population (as of May 2020)	109.04M
Gross National Income (as of First Quarter 2024)	9.7%
Gross Domestic Product (as of First Quarter 2024)	5.7%
Inflation Rate (as of First Quarter 2024)	3.7%
Total Exports (as of First Quarter 2024)	\$6.13B
Total Imports (as of First Quarter 2024)	\$9.31B
Balance of Trade (as of First Quarter 2024)	-\$3.18B
Employment Rate (as of First Quarter 2024)	96.1%
Unemployment Rate (as of First Quarter 2024)	3.9%
Underemployment Rate (as of First Quarter 2024)	11.0%
Labor Force Participation Rate (as of First Quarter 2024)	65.3%

MARKET SUMMARY

FOREIGN DIRECT INVESTMENTS



Committed FI Reached P148.43B in Q1 2024

Total foreign investments (FI) approved in the first quarter of 2024 amounting to PhP 148.43 billion, a decrease of 63.6 percent from the PhP 408.22 billion total FI in the same quarter of 2023. These investments were pledges from the following Investment Promotion Agencies (IPAs), namely: Board of Investments (BOI), Clark Development Corporation (CDC), Cagayan Economic Zone Authority (CEZA), Philippine Economic Zone Authority (PEZA), and Subic Bay Metropolitan Authority (SBMA). No foreign investment approvals were reported by the Authority of the Freeport Area of Bataan (AFAB), Bases Conversion and Development Authority (BCDA), BOI-Bangsamoro Autonomous Region in Muslim Mindanao (BOI-BARMM), Clark International Airport Corporation (CIAC), John Hay Management Corporation (JHMC), Poro Point Management Corporation (PPMC), Tourism Infrastructure and Enterprise Zone Authority (TIEZA), and Zamboanga City Special Economic Zone Authority (ZCSEZA).

The top three prospective investing countries for the first quarter of 2024 are Singapore, Netherlands and South Korea. Pledges from Singapore reached PhP 70.06 billion or 47.2 percent of the total FI during the quarter while Netherlands and South

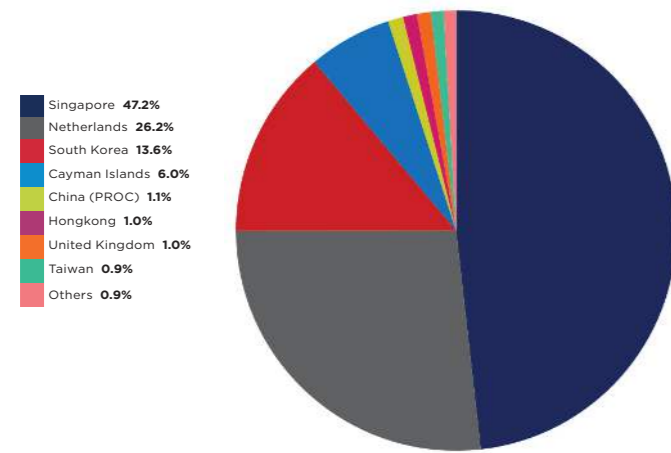
Korea committed PhP 38.89 billion and PhP 20.23 billion, or 26.2 percent and 13.6 percent of the total approved FI, respectively.

Electricity, Gas, Steam and Air Conditioning Supply bested all other industries as it stands to receive PhP 109.19 billion or 73.6 percent of the total FI pledges. Accommodation and Food Service Activities came in second with investment commitments valued at PhP 20.09 billion or 13.5 percent share, followed by Real Estate Activities with PhP 12.62 billion or 8.5 percent FI contribution.

The biggest approved foreign investments in the first quarter of 2024, amounting to PhP 117.39 billion or 79.1 percent, would be intended to finance projects in CALABARZON. This was followed by Central Luzon with PhP 23.83 billion or 16.1 percent and Bicol Region with PhP 2.86 billion or 1.9 percent.

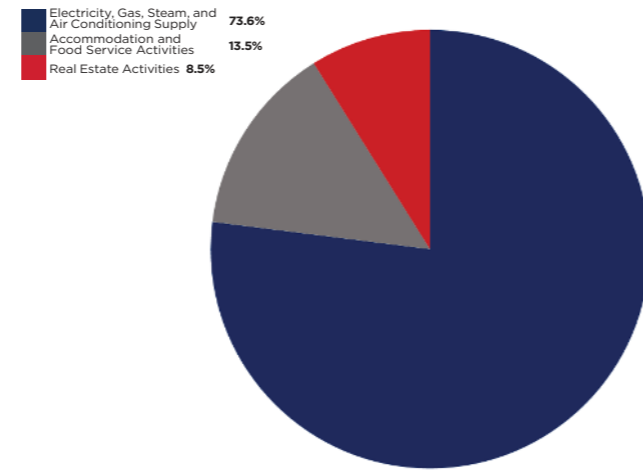
Total amount of projects by foreign and Filipino investors in the first quarter of 2024 are expected to generate 27,711 jobs. Out of these total employment, 84.36 percent would be absorbed by foreign investment projects.

TOTAL APPROVED FOREIGN INVESTMENT BY COUNTRY OF INVESTOR
First Quarter 2024



Data source: PSA

TOTAL APPROVED FOREIGN INVESTMENT BY INDUSTRY
First Quarter 2024



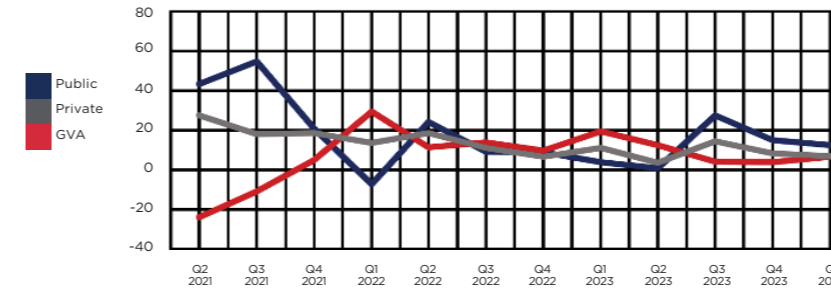
Data source: PSA

MARKET SUMMARY

PHILIPPINE CONSTRUCTION



GROSS VALUE ADDED IN CONSTRUCTION
Q2 2021 - Q1 2024 at Constant 2018 Prices, in Percentage



Gross Value Added (GVA) refers to the total payment to factors of production, namely: wages, interest, profits and rents. It also includes capital consumption allowance and indirect taxes. It is also estimated by deducting from gross value of output the sum of non-factor cost such as raw materials and supplies, containers and packing materials, fuel, advertising and other non-industrial overhead cost.

	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024
Public	43.2	54.6	20.7	-7.3	24.1	9.2	8.9	3.9	0.8	27.3	14.9	12.4
Private	-23.9	-10.8	5.0	29.4	11.3	13.7	9.7	19.4	12.4	4.2	3.9	6.7
GVA	27.4	18.0	18.6	13.5	18.5	11.1	6.5	11.0	3.5	14.5	8.4	7.0

Construction Industry Expanded by 7%

The Construction expanded by 7 percent during the period, compared with 11.1 percent growth in the same quarter of the previous year.

Private Construction, which accounted for 6.7 percent of total construction

investments, decreased by 12.7 percent from 19.4 percent of during the first quarter of 2023. Meanwhile, Public Construction increased to 12.4 percent compared to 3.9 percent from the same period of 2023.

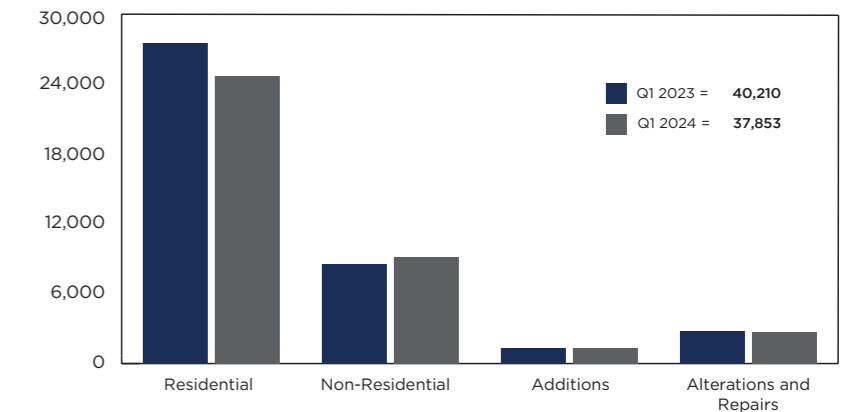
Construction Activities Declined by 5.86%

According to the preliminary data released by the Philippine Statistics Authority (PSA), indicates an annual decrease of 5.86 percent. Total number of constructions reached 37,853 in the first quarter of 2024 compared to 40,210 recorded in the same period in 2023.

The surge in construction activities was driven by the increase in building permits approved. Residential constructions reached 24,699 or 65.25 percent of the total number of constructions during the quarter. This type of construction indicates an annual decrease of 10.15 percent compared with the 27,489 constructions in the same quarter of the previous year. Majority of the total residential constructions were single-type houses with 21,353 projects. Meanwhile, non-residential constructions with 9,158 projects or 24.19 percent ranked second during the quarter. It shows an increase of 6.6 percent compared with the same period of 2023. Commercial buildings mostly contributed to the increase with 6,479 or 70.75 percent.

Likewise, additions to existing structures increased to 1,329 projects with a share of 3.51 percent. Combined number of alterations and repairs had a share of 2,667 projects or 7.05 percent.

NUMBER OF CONSTRUCTION PROJECTS BY TYPE
First Quarter, Year 2023 and 2024

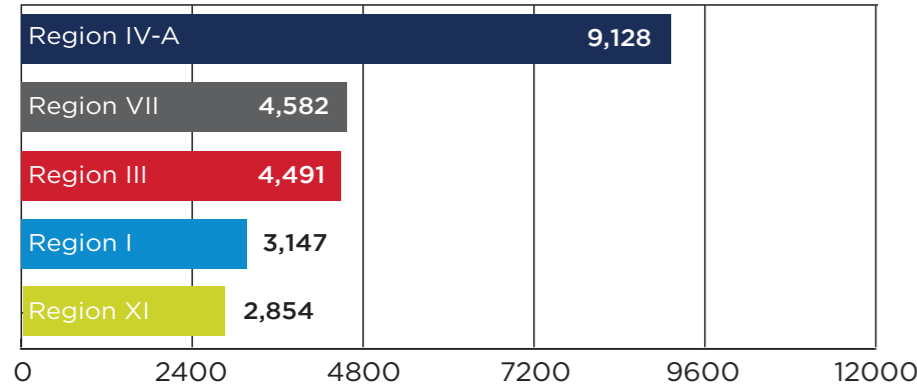


Data source: PSA

MARKET SUMMARY PHILIPPINE CONSTRUCTION



TOP 5 REGIONS WITH THE HIGHEST NUMBER OF CONSTRUCTION PROJECTS
First Quarter 2024



Data source: PSA

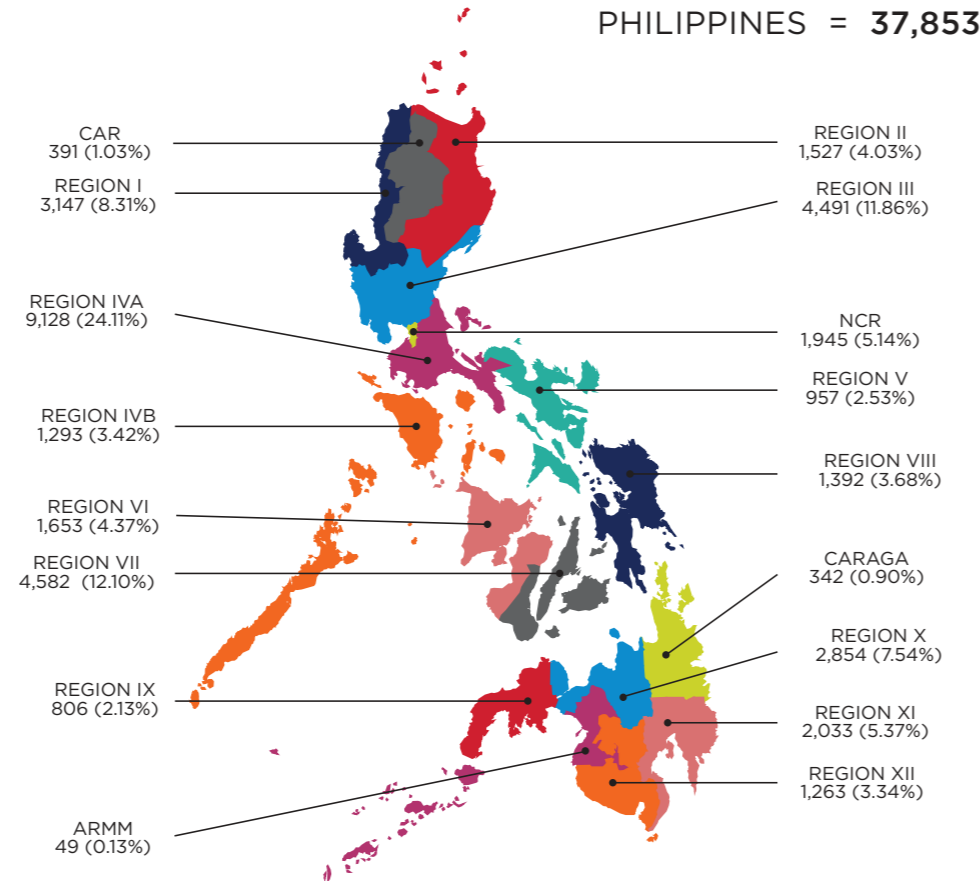
Region IV-A (CALABARZON) continued to lead the list of the top five regions with the highest number of construction projects during the first quarter of 2024. The region recorded 9,128 construction projects or 24.11 percent of the total. Region VII (Central Visayas) ranked second with 4,582 projects or 12.10 percent of the total.

Region III (Central Luzon) ranked third with 4,491 construction projects or equivalent of 11.86 percent of the total, while Region I (Ilocos Region) and Region X (Northern Mindanao) occupied the fourth and fifth spots with 3,147 projects or 8.31 percent of the total and 2,854 projects or 7.54 percent of the total, respectively.

The construction projects for the reference period were equivalent to 10.07 million square meters of space and were valued at P107.17 billion.

CONSTRUCTION MARKET ACTIVITY

DISTRIBUTION OF CONSTRUCTION PROJECTS BY REGION
First Quarter 2024

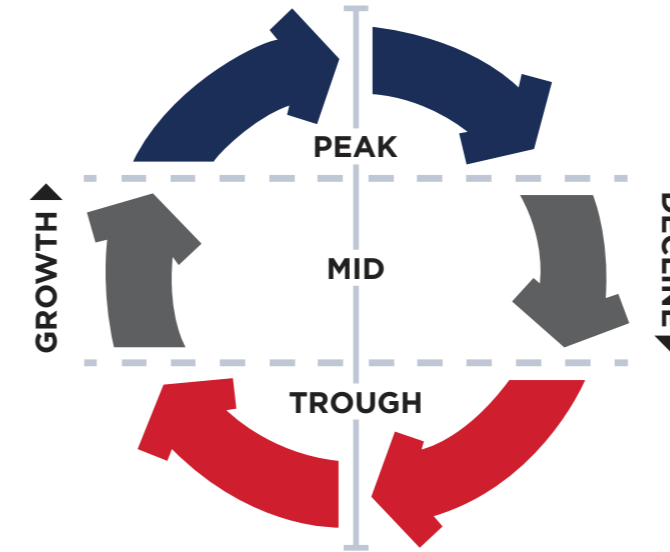


Data source: PSA

CONSTRUCTION MARKET ACTIVITY CONSTRUCTION MARKET ACTIVITY CYCLE



RLB CONSTRUCTION MARKET ACTIVITY CYCLE
First Quarter 2024



Activity within the construction industry traditionally has been subject to volatile cyclical fluctuations.

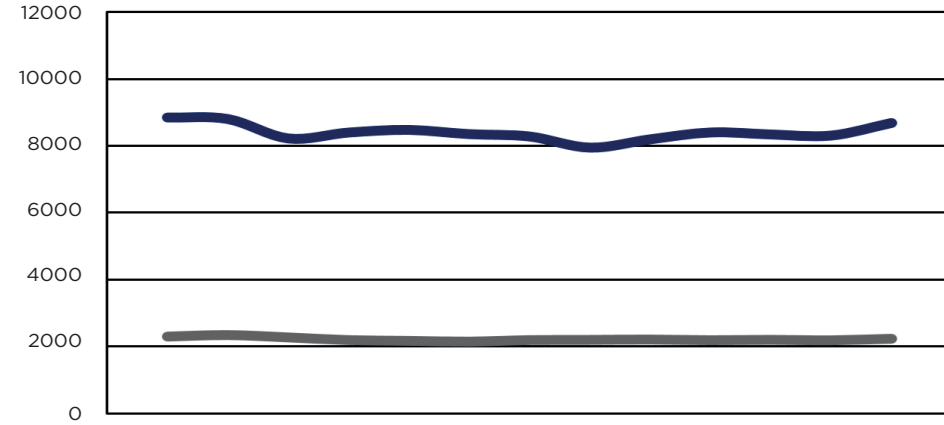
The RLB Construction Sector Activity Cycle represents the construction development activity cycle. The chart below shows the relative level of activity for various sectors of the construction industry in each RLB Philippines' main and satellite offices in the country.

Each sector is categorised by three positions within the cycle; Peak, Mid and Trough. Within each position, activity is further defined by either declining or growing within that sector.

The "up" and "down" arrows highlight the current status within the three positions of the cycle by means of the three colours identified in the cycle diagram below.

KEY CITIES	HOUSES	APARTMENTS	OFFICES	INDUSTRIAL	RETAIL	HOTEL
METRO MANILA	▼	▲	▼	▼	▲	▲
CLARK	▲	▲	▲	▼	▼	▼
LAGUNA	▲	▲	▼	▲	▲	▲
ILOILO	▼	▼	▲	▼	▲	▲
BACOLOD	▼	▼	▼	▼	▼	▲
BOHOL	▲	▼	▼	▼	▲	▼
CEBU	▲	▲	▼	▲	▲	▲
CAGAYAN DE ORO	▲	▲	▲	▼	▼	▲
DAVAO	▲	▲	▼	▼	▲	▲

COMMODITY PRICE TRENDS



METAL PRICES

METAL PRICES
March 2023 - March 2024

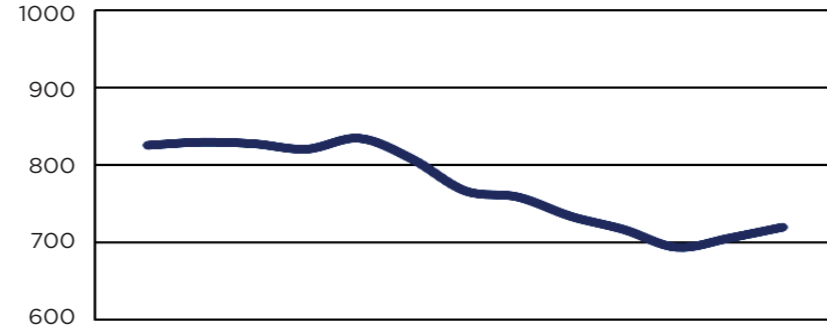
Data Source: World Bank and MEPS

METAL	MAR 2023	APR 2023	MAY 2023	JUN 2023	JUL 2023	AUG 2023	SEP 2023	OCT 2023	NOV 2023	DEC 2023	JAN 2024	FEB 2024	MAR 2024
Copper	8,856	8,809	8,217	8,397	8,477	8,349	8,277	7,937	8,190	8,400	8,339	8,305	8,689
Aluminum	2,296	2,343	2,269	2,185	2,160	2,137	2,185	2,192	2,202	2,182	2,193	2,179	2,226

STEEL REINFORCEMENTS

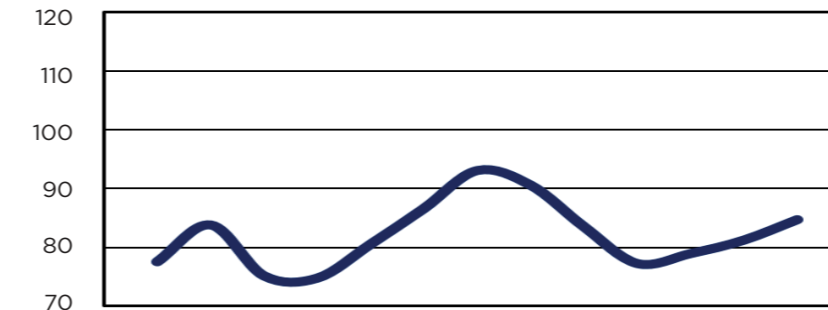
STEEL REINFORCEMENTS
March 2023 - March 2024

Description: Rebar (concrete reinforcing bars) (Japan) producers' export contracts (3 to 12 months terms) fob mainly to Asia, US Dollars per Tonne.



METAL	MAR 2023	APR 2023	MAY 2023	JUN 2023	JUL 2023	AUG 2023	SEP 2023	OCT 2023	NOV 2023	DEC 2023	JAN 2024	FEB 2024	MAR 2024
Steel	821	835	808	767	759	734	717	694	706	720	740	726	707

COMMODITY PRICE TRENDS



CRUDE OIL PRICES

CRUDE OIL PRICES
March 2023 - March 2024

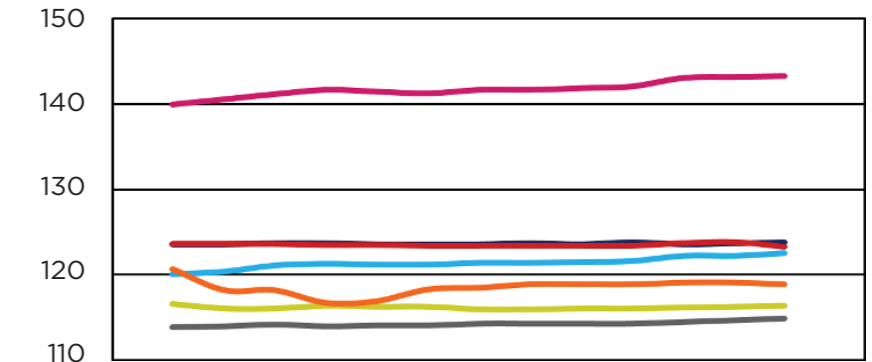
Description: Crude Oil (petroleum), simple average of three spot prices; Dated Brent, West Texas Intermediate, and the Dubai Fateh, US Dollars per Barrel

METAL	MAR 2023	APR 2023	MAY 2023	JUN 2023	JUL 2023	AUG 2023	SEP 2023	OCT 2023	NOV 2023	DEC 2023	JAN 2024	FEB 2024	MAR 2024
Crude Oil	77.5	83.8	75.1	74.7	80.5	86.6	93.1	90.6	83.5	77.2	78.9	81.2	84.7

RETAIL PRICE INDEX

RETAIL PRICE INDEX OF SELECTED CONSTRUCTION MATERIALS IN THE NATIONAL CAPITAL REGION
March 2023 - March 2024

Data Source: PSA



MATERIALS	MAR 2023	APR 2023	MAY 2023	JUN 2023	JUL 2023	AUG 2023	SEP 2023	OCT 2023	NOV 2023	DEC 2023	JAN 2024	FEB 2024	MAR 2024
Carpentry	123.6	123.6	123.7	123.7	123.6	123.6	123.6	123.7	123.6	123.8	123.6	123.7	123.8
Electrical	113.9	114.0	114.2	114.0	114.1	114.1	114.3	114.3	114.3	114.3	114.5	114.7	114.9
Masonry	123.6	123.6	123.6	123.5	123.5	123.4	123.4	123.4	123.4	123.4	123.7	123.8	123.3
Painting	120.1	120.4	121.1	121.3	121.2	121.2	121.4	121.4	121.5	121.6	122.2	122.2	122.5
Plumbing	116.6	116.1	116.1	116.4	116.3	116.3	116.0	116.0	116.1	116.1	116.2	116.3	116.4
Tinsmithry	140.0	140.6	141.2	141.7	141.5	141.3	141.7	141.7	141.9	142.1	143.1	143.2	143.3
Miscellaneous	120.7	118.2	118.2	116.7	116.9	118.3	118.5	118.9	118.9	118.9	119.1	119.1	118.9

CURRENCY EXCHANGE RATES

CURRENCY		UNITS PER USD													
		UNIT	MAR 2023	APR 2023	MAY 2023	JUN 2023	JUL 2023	AUG 2023	SEP 2023	OCT 2023	NOV 2023	DEC 2023	JAN 2024	FEB 2024	MAR 2024
Philippine Peso	₱	1	54.43	55.74	55.99	55.36	54.85	56.70	56.84	56.90	55.33	55.69	56.34	56.19	56.28
Singapore Dollar	\$	1	1.33	1.33	1.35	1.36	1.33	1.35	1.36	1.37	1.33	1.33	1.34	1.34	1.35
UK Pound Sterling	£	1	1.24	1.25	1.24	1.26	1.29	1.27	1.24	1.22	1.26	1.27	1.27	1.27	1.26
Australian Dollar	\$	1	0.67	0.66	0.65	0.66	0.67	0.65	0.64	0.63	0.66	0.68	0.66	0.65	0.65
Canadian Dollar	\$	1	1.35	1.36	1.36	1.32	1.32	1.35	1.35	1.39	1.36	1.33	1.34	1.36	1.36
Japanese Yen	¥	1	133.48	134.05	140.22	144.88	140.92	146.07	147.50	149.45	146.98	141.91	147.50	150.60	151.25
Korean Won	₩	1	1,303.80	1,339.90	1,325.60	1,312.80	1,280.00	1,321.40	1,327.60	1,352.80	1,289.00	1,303.80	1,330.60	1,334.00	1,346.80
Thailand Baht	฿	1	34.10	34.13	34.81	35.60	34.26	34.93	35.68	36.02	34.96	34.68	35.44	35.92	36.45
Netherlands Euro	€	1	1.09	1.10	1.07	1.09	1.10	1.09	1.07	1.06	1.09	1.10	1.08	1.08	1.08

CONSTRUCTION PRICES

DEVELOPMENT TYPE	LOW	HIGH	DEVELOPMENT TYPE	LOW	HIGH
OFFICE BUILDINGS	PHP/m ²		INSTITUTIONAL	PHP/m ²	
With Fit-out	90,500	261,600	Schools	54,300	85,400
Without Fit-out	43,600	139,200	Hospitals with FF&E	49,900	116,300
BPO	PHP/m ²		RETAIL - SHOPPING MALLS	PHP/m ²	
With Fit-out	49,500	58,700	Shopping Mall with retails / supermarkets	45,100	68,700
Without Fit-out	29,200	49,300	Supermarkets / retails	38,000	63,500
MIXED-USED BUILDING	PHP/m ²		RESIDENTIAL	PHP/m ²	
BPO and Retail	57,300	69,700	Hi-End Residential Building	66,000	107,900
Office and Retail	55,000	92,900	Mid-End Residential Building	52,900	64,800
Residential, BPO and Retail	72,400	110,100	Low-End Residential Building	40,800	52,700
Hotel and Office	79,600	115,100	Rowhouse (1 - 4storeys)	26,300	84,300
HOTELS incl. FF&E	PHP/m ²		Single Detached (mid/high end)	59,000	93,500
Five Star	109,100	256,500	Single Detached (low end)	31,700	42,500
Four Star	83,200	117,200	CLUBHOUSE	PHP/m ²	
Three Star	67,700	96,500	Clubhouse	75,900	372,700
Resort	46,900	113,600	CARPARKS	PHP/m ²	
INDUSTRIAL	PHP/m ²		Open Parking	10,900	17,900
Warehouse	43,600	63,400	Steel Parking Building	46,800	55,600
Cold Storage	74,400	161,100	Concrete Parking Building	21,300	38,200
Distribution / Manufacturing	42,600	230,200	Mechanical Parking (cost platform and system only)	73,000	259,600
Data Centre / Data Hosting Centres	210,100	617,300			

PROFESSIONAL SERVICES

QUANTITY SURVEYING

- Full Quantity Surveying from start of project to finish
- Budgetary Estimates and Cost Estimate Preparation
- Preparation of Priced Bills of Quantities
- Bid Documentation, Bidding and Award of Contracts
- Contract Documentation and Administration
- Project Cost Control
- Financial, Physical and Quality Audit of Construction
- Contractual Advice
- Contractual Claims Preparation and Adjudication
- Dispute Management
- Builders Quantities Preparation
- Replacement Cost Estimates
- Assistance in Arbitration, and/or Litigation
- Secondment of Staff

PROJECT MANAGEMENT / CONSTRUCTION MANAGEMENT

- Project / Construction Management and Supervision
- Value Engineering Services
- Project Close-out Services
- Quality Assurance and Quality Control (QA/QC) Services

SPECIAL SERVICES

- Financial Audit of Construction
- Physical Audit of Construction
- Quality Audit of Construction
- Verification of Loan Amounts
- Verification of Monies Spent
- Contractual Advice
- Contractual Claims Preparation and Adjudication
- Builders Quantities Preparation
- Replacement Cost Estimates after Disaster; Fire; Typhoon etc.
- Expert Witness in Arbitration, and/or Litigation
- Secondment of Staff



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Stellenbosch
Hulhumalé
Nairobi
Quatre Bornes
Victoria
Lagos
Luanda
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Denver
Honolulu
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New York
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