



- Building Name: Petron Megaplaza, Makati City
- Total Area Transacted: 17, 000 sq.m
- Yield Achieved: 10% - 11%
- Tenant Occupancy Rate: 80% - 90 %
- Short-term timeframe of 3 - 5 years

### Requirement

Supalai, a real estate development company based out of Thailand, came to KMC MAG Group, Inc. with a fairly straightforward requirement: an easy way to enter the market with a venture that would generate high yields and returns over a short-term timeline. The client preferred a turnkey solution that would allow them to quickly enter the market and enjoy its growth while providing an internal rate of return (IRR) of 10% - 11%.

### Challenge

The challenge for KMC MAG Group was to come up with a strategic solution and to stretch the timeline, taking into consideration the client's goals and requirements. Some of the barriers to entry and achievement of the client's desired IRR were the processes and taxes imposed upon the acquisition of property as well as Philippine legislations that limit foreign ownership of land and property.

### Solution

KMC MAG Group was able to find a building, the Petron Megaplaza, whose owners were willing to sell at a level that allowed the client to achieve the returns required and comply with the government's limitations on foreign property ownership. With its thorough and precise understanding of the market and continual communication with the client, KMC MAG Group was able to successfully build client confidence and transition from a short-term timeline to a medium-term timeline. Through looking at a longer exit strategy, the company was able to achieve the client's required yields. The transaction (Options, due diligence, negotiation and contract signing) was completed by KMC MAG Group within more or less 12 months.

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