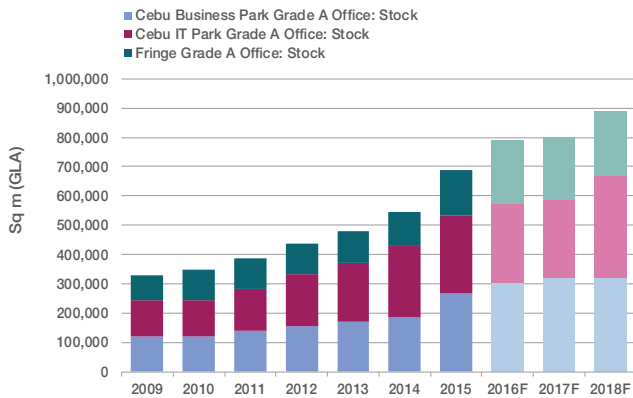
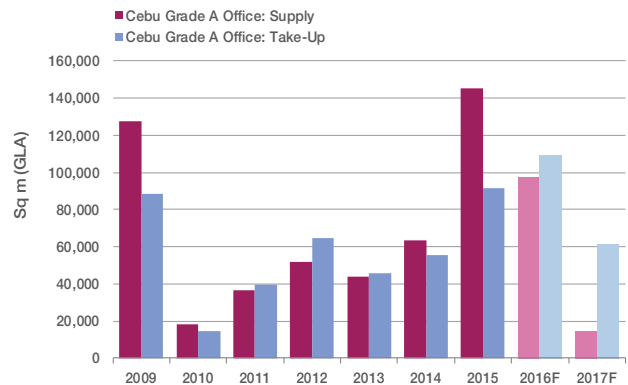


GRAPH 1
Stock



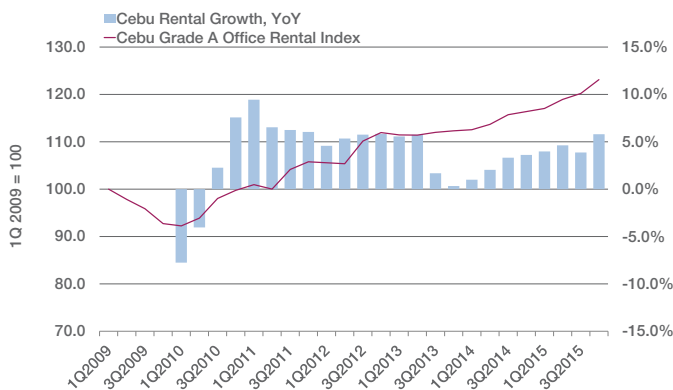
Source: KMC Research & Consultancy

GRAPH 2
Supply & Take-up



Source: KMC Research & Consultancy

GRAPH 3
Rental Performance



Source: KMC Research & Consultancy

TABLE 1
Key Figures - Grade A Office

| | Unit | Q4/2015 |
|--------------------------------|----------------|----------|
| Average net rental rate | Php/sq m/month | 515.6 |
| Upper net rental rate | Php/sq m/month | 650.0 |
| Average capital value | Php/sq m | 67,861.1 |
| Equivalent yield | % | 10.00 |
| Vacancy rate | % | 12.5 |
| Current stock | sq m | 689,084 |
| Development pipeline 2016-2018 | sq m | 198,825 |

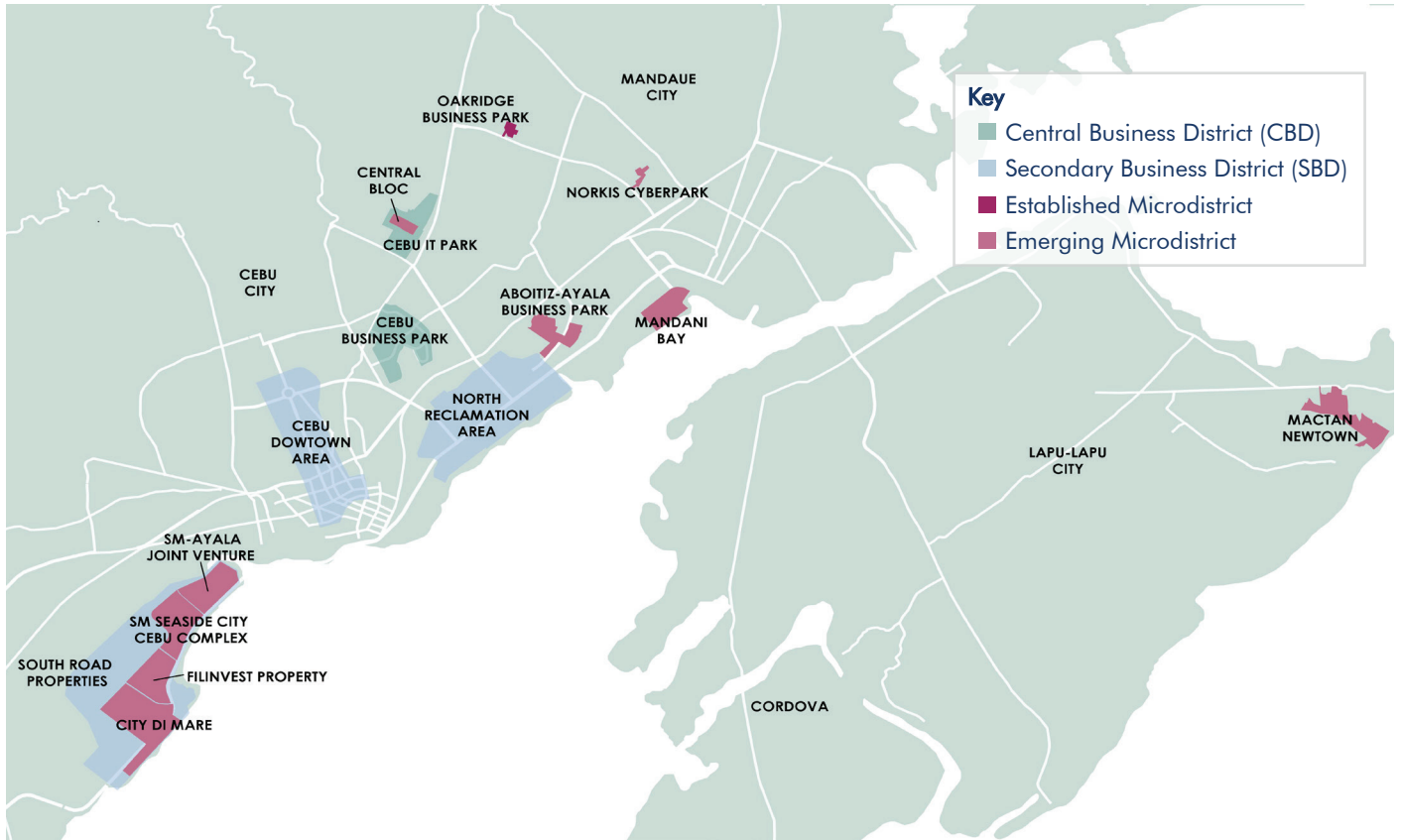
Source: KMC Research & Consultancy

Cebu Market in Minutes

- The completion of some 129,000 sq m pushed vacancy rates up in 4Q/2015. Even with the unprecedented net absorption of about 66,000 sq m, vacancy rate ballooned to 12.5% in 2015 from 4.2% in 2014. Overall, the solid take-up was not enough to offset the record-high supply additions and pull down the market vacancy rate.
- Despite the increase in vacancy, average rental rate in the Cebu office market continued to rise as it grew by 5.8% YoY, bringing the Cebu office market average to Php 515.6 per sq m/month. During the year, Cebu IT Park overtook CBP as the most expensive business district in Cebu, having an average rental rate of Php 541.3 per sq m/month.
- Overall, rental rate growth in the Cebu office market is still expected in the next three years as demand is likely to catch-up with the slowdown of the entry of new supply. However, pace of rental growth is expected to decelerate in Cebu Business Park and the Fringe Area given the high availability of leasable spaces.

MAP 01

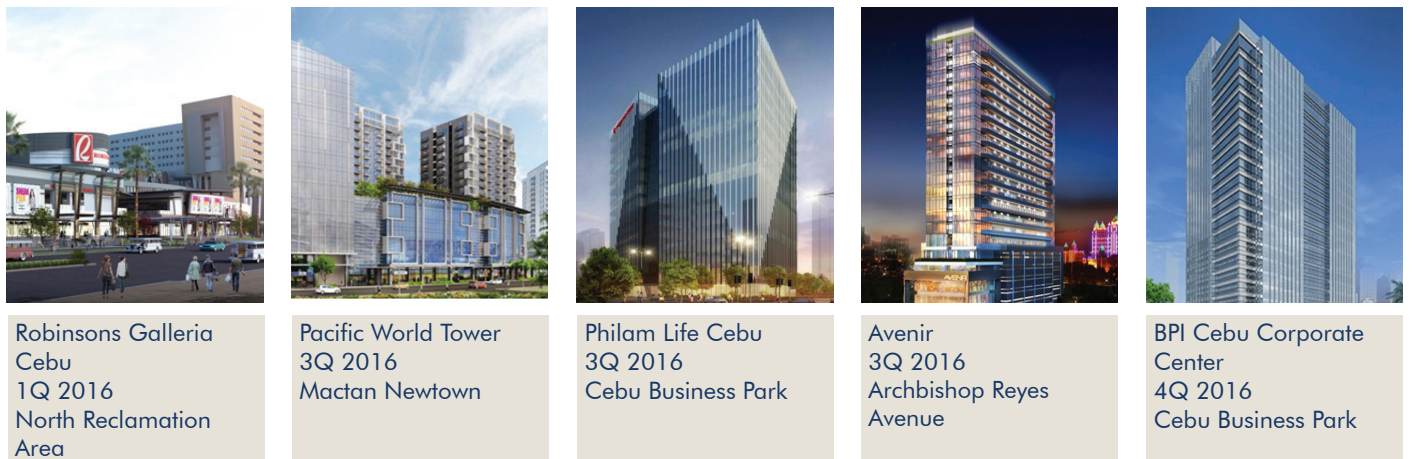
Cebu Business Districts



Source: KMC Research & Consultancy

FIG 01

Upcoming Supply



KMC MAG GROUP, AN INTERNATIONAL ASSOCIATE OF SAVILLS

Please contact us for further information.



Head of Research
Anton Nordberg
anton.nordberg@kmcgroup.com



General Manager - Cebu
Svetlana Osmeña
lana@kmcgroup.com

KMC MAG Group, Inc.

HQ: 8F Sun Life Centre, 5th Ave. Cor. Rizal Drive, Bonifacio Global City
Cebu: Penthouse, Skyrise 4, West Geonzon Street, Cebu IT Park, Cebu City
T: +63 2 403 5519
F: +63 2 403 1495
E: info@kmcgroup.com
W: kmcgroup.com



An International Associate of Savills