

7 Reasons to Invest in Philippine Real Estate

Here's why the Philippines remains an exciting place for investment.

- 1. Positive economic growth.** With a growing middle class sector brought by 11 million Filipinos working overseas and their average \$17-billion remittance a year, the Philippines will continue to experience a positive growth of 3.6% for 2009 and 4.5% for 2010, according to global investment banking firm Goldman Sachs. And this is despite the negative growth that is projected this year for advanced countries.
- 2. Affordable homes.** Philippine real estate remains relatively more affordable than properties overseas. And homes are expected to get more affordable here as the Philippine Central Bank is expected to lower interest rates following the US trend.
- 3. Lower commodity prices.** As oil prices have dropped from \$147 to below \$ 40 a barrel, prices of consumer goods, power and construction materials are expected to follow suit.
- 4. Strong spending power.** The peso-dollar exchange of P47, up from last year's P40, will benefit the country's export sector and give more spending power to Filipino expatriates who are buying homes in the Philippines. Locally, domestic spending is expected to increase as the 2010 elections draw near.
- 5. Stronger banking and real estate sectors.** Having applied the lessons from the 1997 Asian economic crisis, Philippine banks have consolidated and instituted safety nets to alleviate risks. Real estate firms have likewise established systems that will filter out "subprime buyers," one of the reasons for the property market crash in the US.
- 6. Ideal climate for Live, Work and Play.** While the rest of the world experiences negative temperature and a much more negative economic growth, the rich tropical archipelago that is the Philippines continues to enjoy a warm, sunny climate that is ideal for any type of activity—for work, traveling, or even starting a family. There is indeed no place like home.
- 7. High regard for real estate.** Most Filipinos prefer to invest in hard assets like property, which is a good hedge against inflation and provides various income-generating uses. Real estate also brings pride of ownership—a testament to years of hard work overseas, and a legacy that can be passed on to the next generation.