



## APAC REALTY MAKES FORAY INTO THE PHILIPPINES

**SINGAPORE, 23 April 2024 – APAC Realty Limited** (“APAC Realty”, the “Company” or together with its subsidiaries, the “Group”), a leading real estate services provider which operates a market-leading real estate brokerage in Singapore under the ERA brand, has entered into a ERA Franchise Agreement (the “Agreement”) with Upper Room Realty (Phils.) Inc. (“Franchisee” or “Upper Room”) for Manila, Philippines.

Under the Agreement, Upper Room has the right to operate or grant memberships for the operation of ERA member broker offices in Metro Manila for an initial 15-year term with effect from 4 May 2024. The Company has the option to purchase up to 20% of the shares in the Franchisee at a price determined by an independent valuer to be agreed between both parties, within 3 years from franchisee agreement date. The Franchisee has the option to be granted exclusive and extended to the rest of Philippines, subject to additional fees and the fulfilment of certain conditions as set out in the Agreement.

Mr Marcus Chu, CEO of APAC Realty Limited said, “We are thrilled by this significant agreement, especially since it closely follows the signing of Master Franchise Agreements for Laos and Queensland in 2023. It underscores our dedication to expanding our Asia Pacific network and achieving our regional growth objectives. Furthermore, it is a testament of ERA Asia Pacific’s brand and reputational leadership in the region. The addition of the Philippines marks the 13<sup>th</sup> country in ERA Asia Pacific’s portfolio and the 40<sup>th</sup> under the ERA global umbrella.”

Upper Room will establish ERA Manila and its first Philippine based office at Century Spire Tower in the heart of the central business district of Makati, Manila. ERA Manila will be overseen by Mr Wealth Bourne Larida Gillego, an experienced figure in real estate, alongside Mr Arnel Almo Dela Rosa, a seasoned lawyer and certified public accountant specializing in the property sector. Mr Gillego will assume the role of Chairman, while Mr Dela Rosa will serve as President of ERA Manila.

“We are delighted to be a part of the ERA family and to serve as the Group’s representative in the Philippines. ERA Manila will adopt the highly successful business model and systems of ERA Singapore, and focus on Metro Manila in our first three years of operation. To announce our arrival in Manila’s thriving residential market, we will provide salespersons with better commission splits, access to local and regional projects, and upskilling opportunities through ERA Singapore’s salesperson training programmes. This will allow us to differentiate ourselves in the highly fragmented agency business and recruit up to 1,000 salespersons in the first three years of operation,” said Mr Gillego, Chairman, ERA Manila.

### The Philippine Economy

The Philippines’ Department of Finance (“DoF”) reported that the economy closed 2023 with a GDP growth rate of 5.6%, despite an elevated inflation rate and external challenges to outpace major economies in Asia<sup>1</sup>. The strength was driven by domestic demand which was underpinned by higher household consumption and investments, particularly the government’s ‘Build-Better-More’ Program which continues have a multiplier effect on the economy. The ‘Build-Better-More’ infrastructure program<sup>2</sup> presently includes

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<sup>1</sup> <https://www.dof.gov.ph/phs-full-year-2023-gdp-growth-strongest-among-major-asian-economies/>

<sup>2</sup> <https://neda.gov.ph/build-better-more-infra-program-to-further-propel-ph-economy-neda/>



194 Infrastructure Flagship Projects covering essential projects such as expressways, bridges, airports, railways, ports, telecommunications, and other social infrastructure, with an aggregate value of approximately PHP 8.3 trillion (approximately US\$147.8 billion<sup>3</sup>).

Despite ongoing domestic and external headwinds, the DoF expects the country to record faster GDP growth of 6.5% to 7.5% percent in 2024. Drivers such as decelerating inflation, a robust and young labor market, improvements in the ease of doing business, sound external conditions, and a strong financial sector are expected to realise new investment and business growth that will provide high-quality jobs and increase household consumption<sup>4</sup>.

### **Metro Manila Residential Market**

Of the country's population of 115.5 million<sup>5</sup> people, approximately 15 million<sup>6</sup> reside in the Metro Manila region. Investment activity in the Metro Manila region remained resilient in 4Q2023, especially in the luxury and Upscale property sector<sup>7</sup>. Consequently, the region saw a notable annual price increase of 26.3% in its high-end market in 2023, surpassing Dubai's 16% price gain, which secured the top spot in last year's report<sup>8</sup>.

Commenting on the market, Mr Gillego said, "We will focus on the residential market in the first instance, working closely with local developers within our established network – such as Rockwell Land, Arthaland Corporation, SM Development Corporation (SMDC), Robinsons Land Corporation and Century Properties. We will also focus on Metro Manila's strong resale market which continues to be driven by healthy demand from local homebuyers."

### **ERA Franchising Model: A Win-Win Proposition**

ERA Singapore's franchising model presents a beneficial pathway for franchisees to fast-track growth, offering a combination of strong brand recognition, proven business model, access to property technologies and innovation, on-going support and networking opportunities.

Equating the benefits of franchising to the Group's regional growth strategy, Mr Chu said, "Franchising serves as a low-risk avenue to enter new markets effectively. Through our rigorous selection process, we carefully identify reputable country partners committed to maintaining our brand's integrity and delivering exceptional service to clients. The option to buy a stake in the franchisee in the near future provides us with the flexibility to participate in the growth and development of the franchisee at the right time."

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<sup>3</sup> Based on PHP1.0 : USD0.018 on 2 March 2023

<sup>4</sup> <https://www.dof.gov.ph/phs-full-year-2023-gdp-growth-strongest-among-major-asian-economies/>

<sup>5</sup> World Bank Data, 2022 (Latest)

<sup>6</sup> <https://worldpopulationreview.com/world-cities/manila-population>

<sup>7</sup> <https://www.jll.com.ph/content/dam/jll-com/documents/pdf/research/apac/jll-asia-pacific-sector-reports-4q-2023.pdf>

<sup>8</sup> <https://www.mansionglobal.com/articles/philippines-capital-manila-led-the-world-in-luxury-home-price-growth-last-year-28a75839>



### ***About APAC Realty Limited***

APAC Realty is a leading real estate services provider, holding the exclusive ERA regional master franchise rights for 17 countries and territories in Asia Pacific. Through its ERA franchisee network, the Group has one of the largest brand footprints in Asia with close to 23,400 trusted advisors across 646 offices as at 31 December 2023, and is the largest ERA Member Broker globally by transaction value.

The Group has a market-leading position in the Singapore real estate brokerage business through its wholly-owned subsidiary ERA Realty Network Pte Ltd ("ERA Realty"). Established in 1982, ERA Realty is one of Singapore's largest real estate agencies with 8,891 trusted advisors as at 1 January 2024, providing property brokerage services for primary and secondary home sales, as well as rental of residential, commercial and industrial properties. Through its Capital Markets & Investment Sales business unit, the Group delivers corporate real estate services for sizeable assets to high-net-worth individuals, family offices, developers, institutional investors and real estate investment trusts.

As an industry pioneer, ERA Realty has constantly been at the forefront of technological innovations with an emphasis of enhancing salesperson productivity and service excellence for the past 42 years. The Group empowers its trusted advisors with the latest proptech, training, and proprietary super apps such as SALES+ and RealtyWatch, allowing each to extend best-in-class advice and service to customers.

APAC Realty's wholly-owned subsidiary Realty International Associates Pte Ltd ("RIA") operates training programmes and courses for real estate trusted advisors in preparation for professional certification exams and as part of continuing professional development regulations. RIA also undertakes valuation work on behalf of clients such as financial institutions, government agencies and property owners.

APAC Realty is listed on the Mainboard of the Singapore Exchange Limited since 2017. For more information, please visit [www.apacrealty.com.sg](http://www.apacrealty.com.sg).

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