Growth pulses, demand rises

▲ 8.0%
Vacancy Rate, CALABA

▲ 60k
SQM New Completions, CALABA

▲ Php 170-350
Range of Published Rates, CALABA

Note: Arrows indicate change from previous quarter.

QUARTERLY HIGHLIGHTS

- 130,000 sq. m. worth of transactions were recorded for Q2, reflecting a sharp 31% increase q-o-q and 155% y-o-y.
- 60% of the transactions this quarter occurred outside of industrial parks. In addition, 71% of the transactions were in new warehouses or those aged 5 years below. Distribution/logistics led 68% of the demand, equaling 88,000 sqm.
- Laguna reemerged as the strongest performing subdistrict within the CALABA corridor, having transacted a total of 79,000 sq. m. including the largest transaction recorded for this quarter by a third-party logistics provider worth 22,000 sq. m. Batangas followed with 30,000 sq. m., followed lastly by Cavite with 21,000 sq. m. of warehouses transacted.
- Vacated spaces accounted for 64% of the total availability with 77,000 sq. m. of new additions this quarter. 32% of the newly vacated spaces were standalone warehouse units/complex.
- 61,000 sq. m. worth of new completions were recorded in the CALABA corridor this quarter, with more than half coming from Batangas.

TABLE 1: CALABA Industrial & Logistics Market – Quick Stats

	2025 Q4	2026 Q1	2026 Q2
Existing Supply (in '000 sqm)	6,718	6,760	6,820
New Supply (in '000 sqm)	14.2	0	60.4
Vacated Spaces (in '000 sqm)	35.0	132.2	77.4
Total Demand - New Leases (in '000 sqm)	50.2	50.8	129.5
Overall Vacancy	7.1%	7.9%	8.0%

CALABA Availability

Total warehouse stock in CALABA remains at roughly 7 million sq. m. This quarter, 551,000 sq. m. or 8.0% of which is currently available in the market. Of this available supply, 64% is vacated, 34% unleased, and 2% is brand new. 70% of the currently available stock is situated within industrial parks, more than half of which being PEZA-accredited.

CALABA Vacancy

CALABA vacancy slightly increased to 8.0% from 7.9% last quarter with an estimated 77,000-sqm of new completions on record and vacated spaces returning in the market. Laguna continues to lead all subdistricts, with newly vacated spaces taking over new completions nearly twofold this quarter. Its strong leasing activity, however, outpaces its new additions by a thousand percent from the past quarter. Batangas followed with a 46% increase in vacancy from the past quarter, with new completions and vacated spaces taking over new leases by more than double. Cavite saw the slightest movement in vacancy at 2% q-o-q, with a virtually balanced leasing activity and new inventory.

CALABA Demand

Warehouse market in CALABA recorded a total of 130,000 sq. m. of transactions this quarter, a sharp 155% q-o-q increase. Although total transaction count dropped 30% from 23 to 16 transactions, average deal size expanded nearly fourfold to 8,100 sq. m up from 2,950 sq. m., anchored by large-scale transactions equal to or exceeding 10,000 sq. m.

Looking into the sector's full-year performance, warehouse demand increased 31% y-o-y with Laguna seeing a sharp rebound of 79,000 sq. m. in new leases – up 1,106% from the past quarter. The return of large-scale deals in the leasing scene was driven mostly by distribution/logistics locators reconcentrating in the subdistrict, as the corridor continues to host an abundance of standalone warehouse units and complexes traditionally preferred for logistics use.

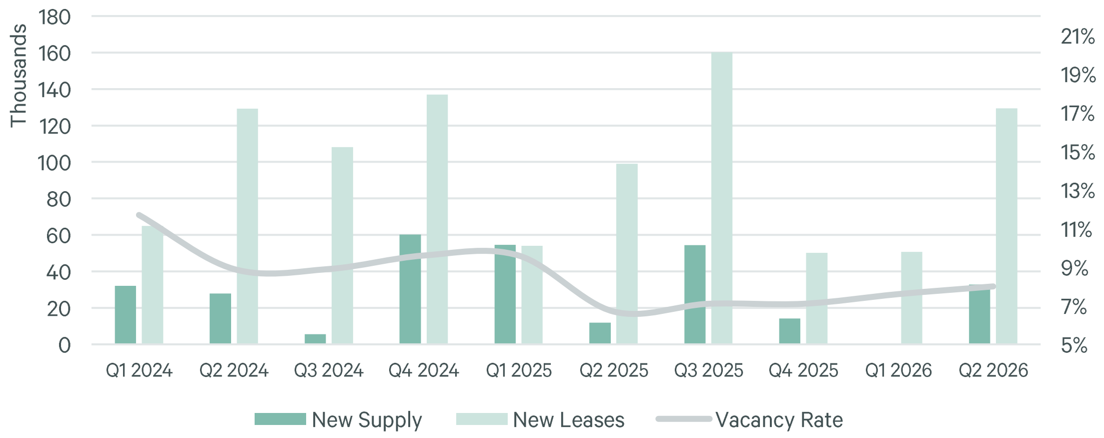
Subindustry growth in the corridor is anchored by the digital economy, as five of the top ten deals were led by third-party logistics providers (52,000 sq. m.) who altogether captured 40% of the total quarterly demand. The energy sector followed closely with 31,000 sq. m. of take-ups. In contrast to the office sector where occupiers moved to major developers, industrial demand saw a 100% concentration in boutique developers.

TABLE 2: CALABA Industrial & Logistics – Subdistrict Overview

	Total Existing Stock	Total Current Availability	Vacancy	Published Rent	Published CUSA
Cavite	2,713,000	144,000	5.3%	Php 170 – 300	Php 2 – 20
Laguna	2,549,000	270,000	10.5%	Php 180 – 300	Php 1 – 20
Batangas	1,558,000	137,000	8.7%	Php 250 – 350	Php 4 – 20

Note: Rent and CUSA are in PHP/sqm/month

FIGURE 1: CALABA Industrial & Logistics Supply, Demand, and Vacancy



Pipeline Supply

89,000 sq. m. of new warehouse supply is slated to be completed in Batangas (66%) and Laguna (34%) this year, with 98% situated within industrial parks.

For years 2027-2028, around 127,000 sq. m. of pipeline supply is expected to be added to the total stock, with 93% slated for 2027. Majority of the upcoming supply will be in Laguna. A single major developer remains to have 87% of such upcoming supply earmarked.

Rental Rates

Rates in the CALABA show diverging trends across its three subdistricts. While Laguna saw a massive surge in new leasing activity, take-up was heavily driven by large-scale deals. Bulk leases traditionally command lower transacted rates, pulling the weighted fair market rent slightly downward despite high overall absorption.

Rents in Batangas increased by 2.5%, as manufacturing facilities require higher structural specifications, which command premium rental rates. As such, developers and landlords alike relatively hold command on transacted rates as demand for quality manufacturing spaces outpaces ready supply.

Cavite remained virtually flat at 0.18%, despite seeing a pullback in new leasing activity. While the market has reached a temporary equilibrium, as demonstrated by stable effective rents and an equal volume of manufacturing and logistics players in the area, demand for newer and more premium spaces continues to be the trend for occupiers who consequently veer away from Cavite with 45% of its available spaces characterized by aging warehouses.

FIGURE 2: CALABA Industrial & Logistics Market – Announced Pipeline by Area

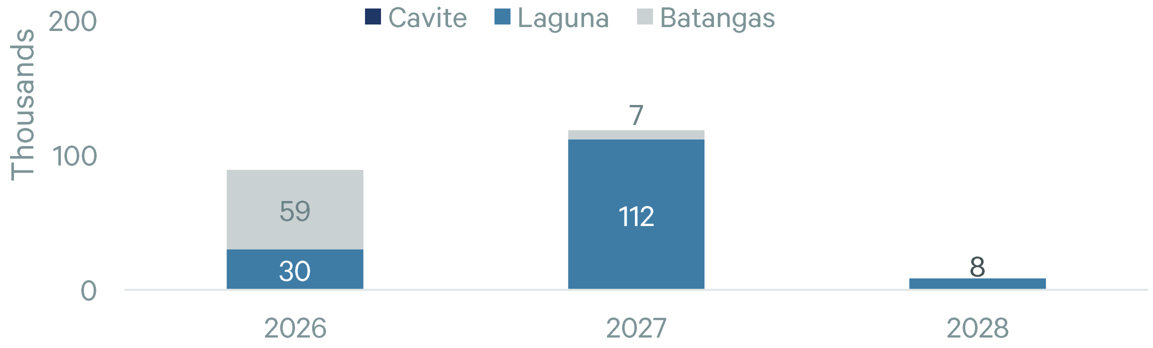


TABLE 3: CALABA Rental Rates

SUB-DISTRICT	PUBLISHED RATES IN PHP	FAIR MARKET RENT Q1 2026	FAIR MARKET RENT NOW	COMMON AREA CHARGES IN PHP
CAVITE	170 - 300	206.42	206.05	2 - 20
LAGUNA	180- 300	272.48	264.01	1 - 20
BATANGAS	250 - 350	301.62	309.39	4 - 20

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