

FIGURES | PHILIPPINES INDUSTRIAL & LOGISTICS | Q3 2026

Unyielding demand amidst broader market slowdown



Note: Arrows indicate change from previous quarter.

QUARTERLY HIGHLIGHTS

- 161,000 sq. m. worth of transactions were recorded for Q3 2026, reflecting a sharp 24% increase q-o-q albeit a flat y-o-y increase of 0.5%.
- 56% of the transactions this quarter occurred inside industrial parks. 78% of the transactions were in new warehouses. Distribution/Logistics sector led 75% of the demand, amounting to 121,000 sq. m.
- Laguna steadies itself anew as the strongest performing subdistrict in the CALABA corridor for two consecutive quarters, with 77% of the total transaction volume for the quarter totaling 125,000 sq. m. This includes the largest transaction size recorded for this quarter at 37,000 sq. m. Batangas sees itself next with a transaction of volume 21,000 sq. m. followed lastly by Cavite with 16,000 sq. m. of warehouses transacted.
- Vacated spaces accounted for 52% of the total availability with 29,000 sq. m. of new additions. 29% of the newly vacated spaces were standalone warehouse units/complexes.
- 45,000 sq. m. worth of new completions were recorded in the CALABA corridor this quarter, mostly coming from Laguna.

TABLE 1: CALABA Industrial & Logistics Market – Quick Stats

	2026 Q1	2026 Q2	2026 Q3
Existing Supply (in '000 sqm)	6,760	6,820	6,870
New Supply (in '000 sqm)	0	60.4	45.2
Vacated Spaces (in '000 sqm)	132.2	77.4	28.5
Total Demand - New Leases (in '000 sqm)	50.8	129.5	161
Overall Vacancy	7.9%	8.0%	6.7%

CALABA Availability

Total warehouse stock in CALABA remains at roughly 7 million sq. m. this quarter, with 459,000 sq. m. or 6.7% currently available in the market. Of the available supply, 52% is vacated, 42% is unleased, and 6% is brand new. 78% of the current availability is situated within industrial parks, 70% of which are PEZA-accredited.

CALABA Vacancy

CALABA vacancy sharply decreased to 6.7% from 8.0% last quarter with an estimated 45,000 sq. m. of new completions on record and around 29,000 sq. m. of newly vacated spaces. Laguna continues to lead all subdistricts, with a 96% share in newly vacated spaces and the lone subdistrict with brand new supply. Despite sustaining the highest vacancy among the subdistricts at 8.5%, its strong leasing activity continues to outpace new supply handover, surpassing more than half of the total available inventory. Batangas follows with a decrease in vacancy at 7.5% with no new completions and vacated spaces amid new leases. Cavite remains the tightest market at 4.5% vacancy with a single vacated space more than a tenth of its lease volume for the quarter.

CALABA Demand

Warehouse market in CALABA recorded a total of 161,000 sq. m. of transactions this quarter, with a steady 24% q-o-q increase. Total transaction count increased 75% from 16 to 28 transactions, consequently scaling down transaction size from 8,100 sq. m. to 5,750 sq. m.

Looking into the sector’s performance, warehouse demand remained virtually flat at 0.5% y-o-y. This quarter, Laguna saw a sharp increase of 46,000 sq .m. in new leases – up 59% from the past quarter. Distribution/logistics deals continue to lead transactions with a 75% share of the overall demand. Its highest concentration remains in Laguna with 88% of the leases in the area purposed for distribution/logistics expansion. Batangas, meanwhile, remains the center of manufacturing with 95% of its leases taken up by the sector.

Subindustry growth in the corridor is anchored by sorting/distribution as most of the top ten deals were transacted for sorting/distribution centers of FMCG and retail operators (56%). Third-party logistics providers follow with a seventh of the top baseline at 12,000 sq. m., followed closely by storage/warehousing at 9,000 sq. m. Boutique developers continue to lead the total lease volume for the quarter at 89% with 144,000 sq. m. worth of transactions.

TABLE 2: CALABA Industrial & Logistics – Subdistrict Overview

	Total Existing Stock	Total Current Availability	Vacancy	Published Rent	Published CUSA
Cavite	2,764,000	124,200	4.5%	Php 210 – 350	Php 2 – 20
Laguna	2,549,000	218,000	8.5%	Php 210 – 380	Php 1 – 20
Batangas	1,558,000	116,400	7.5%	Php 210 – 380	Php 4 – 20

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

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



Pipeline Supply

75,000 sq. m. of new warehouse supply is slated to be completed in Batangas (86%) and Laguna (14%) by end of the year, 98% of which is situated within industrial parks.

For years 2027-2028, around 152,000 sq. m. of pipeline supply is expected to be added to the total stock, with around 143,000 sq. m. slated for 2027. Virtually, all of the upcoming warehouse units will be concentrated in Laguna. A single major developer remains to take 72% of the earmarked inventory.

Rental Rates

Q3 2026 saw a general upward trajectory in lease rates across the three subdistricts, particularly led by Laguna. As demand remains anchored towards Laguna, both Batangas and Cavite experienced contractions in quarterly demand volume, market values across all subdistricts nonetheless remained resilient.

Laguna demonstrated anew strong demand elasticity and pricing power with an 11% increase in Fair Market Rent. High market absorption allowed developers and landlords to push the ceiling for base lease rates to up to PhP 380/sqm, confirming strong landlord pricing power driven by active tenant demand.

Despite experiencing a decline in quarterly demand, Batangas maintained a stable-to-slightly rising FMR. While landlords lowered entry floor rates to attract activity, premium spaces retained high value, pushing upper-tier lease rates up to PhP 380/sqm. This indicates the stable command of Batangas in setting a premium price baseline even during periods of lower transaction volume.

With demand falling, Cavite consequently recorded a slight drop in FMR. Although baseline asking rate ranges appeared higher on paper, actual realized/market-adjusted valuation (FMR) softened, demonstrating that nominal asking price increases were offset by weaker demand fundamentals and potential tenant negotiation leverage.

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

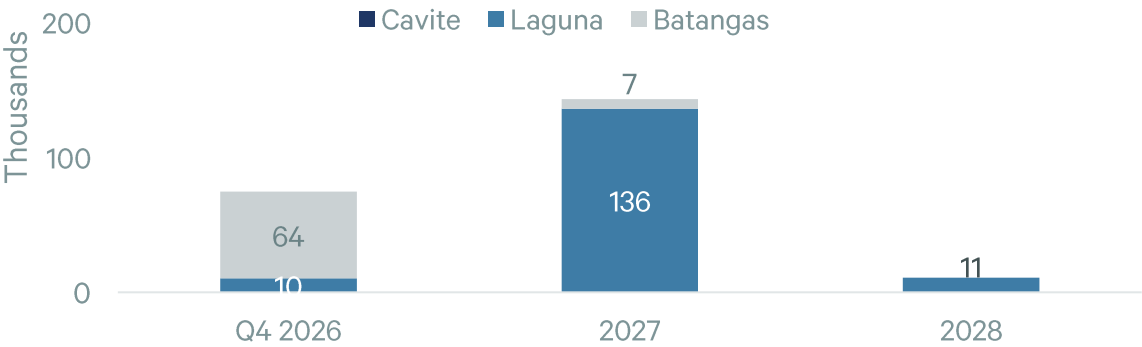


TABLE 3: CALABA Rental Rates

SUB-DISTRICT	PUBLISHED RATES IN PHP	FAIR MARKET RENT Q1 2026	FAIR MARKET RENT NOW	COMMON AREA CHARGES ^{III} PHP
CAVITE	210 - 350	206. ⁰⁵	204. ⁰⁵	2 - 20
LAGUNA	210- 380	264. ⁰¹	291. ⁸⁹	1 - 20
BATANGAS	210 - 380	309. ³⁹	312. ³¹	4 - 20

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