

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17  
OF THE SECURITIES REGULATION CODE  
AND SRC RULE 17.2(c) THEREUNDER

1. December 20, 2023  
Date of Report (Date of earliest event reported)
2. SEC Identification Number A2000-00652 3. BIR Tax Identification No. 204-863-416
4. FILINVEST REIT CORP.  
Exact name of issuer as specified in its charter
5. Philippines Province, country or other jurisdiction of  
incorporation
6.  (SEC Use Only)  
Industry Classification Code:
7. 5th-7th Floors, Vector One Building, Northgate Cyberzone, Filinvest City, Alabang, Muntinlupa City 1781  
Address of principal office Postal Code
8. (632) 7918-8188 local 6124  
Issuer's telephone number, including area code
9. Not applicable  
Former name or former address, if changed since last report
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class

Number of Shares of  
Stock Outstanding  
**4,892,777,994**

**Common**

11. Indicate the item numbers reported herein: Item 9

Please see attached copy of the Three-year Investment Strategy of Filinvest REIT Corp.


SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the Issuer has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

FILINVEST REIT CORP.

*Issuer*

Date: December 20, 2023

  
**KATRINA O. CLEMENTE-LUA**  
Corporate Secretary and  
Corporate Information Officer

20 December 2023

This 3-Year Investment Plan (2024-2026) was prepared by FREIT Fund Managers, Inc. (“FFMI”) for Filinvest REIT Corp. (“FILRT” or the “Company”) in compliance with the reportorial requirements of the REIT Implementing Rules & Regulations under R.A. No. 9856.

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## I. Overview

**Filinvest REIT Corp.** (FILRT or the Company) is the commercial REIT of Filinvest Land, Inc. (the Sponsor). Its asset portfolio consists of seventeen (17) Grade A buildings and a lot in Boracay, that has a combined total gross leasable area (GLA) of 330,448 square meters (sqm).

FILRT was launched in August 12, 2021 and was the third REIT listed at the Philippine Stock Exchange. It was positioned as the first sustainability-themed REIT.

As of December 18, 2023, the Company's market capitalization was at Php 13.2 billion where 34.71% of the Company's shares were owned by the public.

## II. FILRT's Portfolio

### A. Assets

FILRT's portfolio consists of 17 world-class office buildings and a land in Boracay where the Crimson Resort and Spa is situated.

Located in Northgate Cyberzone, Filinvest City (FC, Alabang, Muntinlupa):

1. Plaza A is a six-storey office building, with approximately 10,860 sqm of GLA and 64 parking spaces. It started commercial operations in 2006;
2. Plaza B is a four-storey office building, with approximately 6,488 sqm of GLA and 58 parking spaces. It started commercial operations in 2001;
3. Plaza C is a four-storey office building, with approximately 6,540 sqm of GLA and 58 parking spaces. It started commercial operations in 2001;
4. Plaza D is a six-storey office building, with approximately 10,860 sqm of GLA and 64 parking spaces. It started commercial operations in 2007;
5. Plaza E is a 12-storey office building, with approximately 14,859 sqm of GLA and 127 parking spaces. It started commercial operations in 2014;
6. Capital One is a five-storey office building, with approximately 18,000 sqm of GLA and 93 parking spaces. It started commercial operations in 2005;
7. 5132 Building is a six-storey office building, with approximately 9,409 sqm of GLA and 55 parking spaces. It started commercial operations in 2007;
8. iHub1 is a six-storey office building, with approximately 9,480 sqm of GLA and 46 parking spaces. It started commercial operations in 2008;
9. iHub2 is a nine-storey office building, with approximately 14,181 sqm of GLA and 84 parking spaces. It started commercial operations in 2009;

10. Filinvest One is a 10-storey office building, with approximately 19,637 sqm of GLA and 109 parking spaces. It started commercial operations in 2013;
11. Filinvest Two is a 14-storey office building, with approximately 23,784 sqm of GLA and 89 parking spaces. It started commercial operations in 2016;
12. Filinvest Three is a 14-storey office building, with approximately 23,784 sqm GLA and 87 parking spaces. It started commercial operations in 2016;
13. Vector One is a 14-storey office building, with approximately 17,764 sqm of GLA and 166 parking spaces. It started commercial operations in 2011;
14. Vector Two is a 14-storey office building, with approximately 17,889 sqm of GLA and 153 parking spaces. It started commercial operations in 2014;
15. Vector Three is a 22-storey office building with approximately 36,345 sqm of GLA and 365 parking spaces. It started commercial operations in 2017;
16. Axis Tower One is a 25-storey office building, with approximately 39,340 sqm of office GLA, 1,529 sqm of retail GLA, and 460 parking spaces. It started commercial operations in 2018;

Located in Cebu Cyberzone, Cebu City is:

17. Filinvest Cebu Cyberzone (FCC) Tower One is a 13-storey Grade A, PEZA-accredited office building, with approximately 19,937 sqm of GLA, 675 sqm of retail GLA, and 274 parking slots. It started commercial operations in 2015.

Located in Station Zero in Boracay, Aklan is a lot owned by FILRT:

18. Which comprises 29,086 sqm of land and is leased to Boracay Seascapes, Inc., which is the hotel owner and operator of the Crimson Resort and Spa Boracay. The resort hotel consists of a private beach front, villas, and dining amenities.

## **B. Key Features**

FILRT, formerly Cyberzone Properties, Inc. (CPI), is an owner-operator of Grade A office buildings. It is an office property developer with a good track record since 2001.

The following are the value adding features of the FILRT portfolio:

**Accessible locations within smart cities.** FILRT's offices are located within smart cities with 16 buildings in Northgate Cyberzone and one building, the FCC Tower One, in Cyberzone Cebu.

Northgate Cyberzone reflects the cohesive “Work, Live and Play” thrust of the Filinvest Group, making it an ideal place of work. It has wide pedestrian paths and designated bike lanes that leads to affordable residences, recreational facilities (malls, green parks, and dining), and many walkable, pedestrian-friendly spaces. It is accessible to the Alabang-Zapote Road via a 5-minute walk, the South Station, a major transport hub linking Metro Manila to South Luzon, and the vital thoroughfares of SLEX (South Luzon Expressway) and Skyway.



Cyberzone Cebu is located at the corner of two major thoroughfares, Salinas Drive and W. Geonzon Road, in the bustling city of Cebu. It is accessible through public transport systems (jeepneys, taxis, and tricycles) and is one of the gateways to the Cebu IT Park. FCC Tower One has a retail area on the ground floor where its tenants and tenants of surrounding offices go to shop and dine.

**Flexible expansion options.** Northgate Cyberzone, at 18.7 hectares, is designed as an IT-BPO campus-style hub accredited by the Philippine Economic Zone Authority (PEZA). This offers tenants the option to expand among the many buildings within the vicinity, giving Northgate Cyberzone an advantage that is not available to the stand-alone buildings of other REITs.

**State-of-the-art buildings.** FILRT provides state-of-the-art workspaces. Its newer buildings are designed using the latest technology to automate operations. Facilities include integrated turnstile access control security systems, elevator destination control systems, face scanning visitor management systems, and a 1400-KVA truck-mounted mobile generator as emergency backup power.

FCC Tower One has a centralized chilled water-type air-conditioning system, 100% emergency back-up power, automatic sprinkler systems with smoke detectors and fire alarms, underground fiber-optic cabling facilities with dark fiber provisions for all major telecommunications providers.

**Pro-active property management.** FILRT, through its property manager, ProOffice Work Services, Inc. (PWSI), efficiently operates its buildings 24/7. PWSI, bearing a good track record, has adopted the best practices in operational and maintenance systems. It employs a centralized tenant feedback system, proactive repairs and maintenance monitoring, and business continuity and resiliency planning.

### **C. Sustainability-themed REIT**

As the first sustainability-themed listed REIT, the main value differentiator of FILRT is that it aims to be a portfolio of sustainable assets. Its aim is to provide value to its tenant customers by leveraging on its sustainability programs to be a partner of choice aligning its sustainability goals with its tenants' Environment, Social and

Governance (ESG) goals and disclosure commitments. The tenants, which have ESG goals, are mostly multinational companies, such as BPOs (Business Process / Knowledge Outsourcing) and ROHQs (Regional Office/Operating Headquarters). These companies prefer buildings certified by international green building rating systems.

FILRT is accredited with the following international green certifying bodies:

- **LEED.** Leadership in Energy and Environmental Design (LEED) is the most widely used green building rating system certified by the U.S. Green Building Council.



- **EDGE.** Excellence in Design for Greater Efficiencies (EDGE) assess buildings for cost-effective design, material reduction, and water and energy consumption. Certification is given by the Green Business Certification Inc.



A number of FILRT’s buildings have successfully acquired green certifications, such as:

Building	Certification	GLA
Plaza A	EDGE	10,860
Plaza D	EDGE	10,860
Filinvest Two	EDGE	23,784
Filinvest Three	EDGE	23,784
Vector One	EDGE	17,764
Vector Two	EDGE	17,889
Vector Three	LEED Gold	36,345
Axis Tower One	LEED Gold	40,869
Filinvest One	EDGE	19,637

FILRT has one of the highest number of EDGE-certified office buildings among REITs in the country.

Vector Three and Axis Tower One are both LEED Gold certified. They earned 60-79 points out of 110 possible points from the following criteria: site sustainability, energy and atmosphere, water efficiency, indoor environment, and materials and resources. According to the same green certifying bodies, conventional buildings, at a minimum, are 10% more energy efficient and consume 35% less water.

This month, December 2023, Filinvest One is the most recent FILRT building to have been awarded an EDGE Certification, completing FILRT's EDGE target for 2023. 41.34% of FILRT's office buildings are now EDGE-certified for a total of 124,578 GLA.

FILRT is a Circle of Excellence Awardee for Sustainability from the recent Asia CEO Awards held last October 24, 2023. For the 3<sup>rd</sup> straight year, FILRT was recognized for achieving important success at environment progress and demonstrating leadership and commitment to sustainability.

Other awards received by FILRT include:

★



**Asia CEO Awards 2021 and 2022**

Sustainability Company of the Year  
Circle of Excellence Awardee

★



**Real Estate Asia Awards 2022**

Office Development of the Year  
REIT Initiative of the Year

★



**FIABCI Philippines 2022**

Gold – Office Development of the Year  
Silver – Sustainable Development of the Year

**Filinvest City (FC).** Sixteen of FILRT's buildings are located in Northgate Cyberzone. Northgate is part of the group's business district in the south, Filinvest City. FC is a 244-hectare smart city. It is the first central business district in the Philippines to earn a LEED v4 Gold for Neighborhood Development and a three-star Berde Certification.

FILRT buildings in FC benefit its customers of being located in a green and smart city. In particular, FC offers the following green and smart features:

- **Smart and Sustainable Mobility.** The Filinvest City 360 EcoLoop is the first fully-integrated electric-powered intra-city shuttle service in the country. It provides sustainable mobility 24/7 within FC using renewable energy and it lessens the need for private vehicles. Its 17-seater vehicles have exceptionally quiet engines and are energy-efficient with zero carbon emission. It provides connectivity for tenants at Northgate Cyberzone with 28 designation stops

including at Filinvest Central Park, FEU Alabang, Crib Dormitels, Asian Hospital, and the Crimson Hotel.

- **EV Charging Station.** In August 2023, FC launched its first electric vehicle charging station located at the Central Park. It features two chargers and it is available for free to the public.
- **Inclusive Spaces.** FC's parks provide safe and inclusive spaces with access to free WiFi and wireless charging stations.
- **District Cooling System.** The DCS supplies chilled water to the air-conditioning systems of the buildings in Northgate Cyberzone. It saves up to 40% on electricity, 20% on water, and reduces greenhouse gas emissions, equivalent to about 11,500 tons of CO<sub>2</sub> annually. With a plant capacity of 12,000-TR, FILRT's DCS is the largest in the Philippines and second largest in Asia.
- **LED Lighting.** Among its energy conservation initiatives, FILRT switched to LED lighting systems in all its properties, reducing electricity use by more than 50%. The installation of variable frequency drivers and soft starters for building pumps and motors reduced power consumption by about 40%.
- **Centralized Water Treatment Facility.** All wastewater is fully treated at the centralized sewage treatment facility. Treated water is used to irrigate the landscape in FC to reduce potable freshwater demand. This means lesser discharge to the Alabang River and ultimately to the Laguna Lake which help in restoring the degraded quality of these waters.

Filinvest City will soon roll-out the Filinvest App, a guide to the city, where information will be seamlessly integrated to the parking system, community transportation, and estate updates.

#### **D. Performance**

The office sector of the property market has been experiencing a steady increase in Metro Manila transactions activity despite a slowdown in net demand in the office sector of the property market due to the shift of most BPOs and companies to hybrid and from new office stock.

FILRT continues to show stable performance as it maintains strong business relationships with multinational real estate brokers and tenants.

FILRT sustained its dividends at Php 0.071 per share for the last four quarters reflecting a relatively higher annualized dividend yield of 9.34% (on Sept 29, 2023 closing price of Php 3.04/share) vs peers.



Its assets are valued at 47.5 billion as at December 31, 2022. As of September 2023, average occupancy is at 84% and rental income is at Php 1.7 billion.

<b>Assets</b>	<b>GLA sqm</b>	<b>Valuation Php m</b>	<b>Occupancy %</b>
<b>Plaza A</b>	10,860	1,597	100%
<b>Plaza B</b>	6,488	927	73%
<b>Plaza C</b>	6,540	974	100%
<b>Plaza D</b>	10,860	1,328	66%
<b>Plaza E</b>	14,859	2,448	100%
<b>Capital One</b>	18,000	3,171	100%
<b>5132 Building</b>	9,409	3,707	100%
<b>iHub1</b>	9,480	3,701	55%
<b>iHub2</b>	14,181	1,378	89%
<b>Filinvest One</b>	19,637	1,441	61%
<b>Filinvest Two</b>	23,784	2,001	62%
<b>Filinvest Three</b>	23,784	2,868	45%
<b>Vector One</b>	17,764	2,865	100%
<b>Vector Two</b>	17,889	5,918	100%
<b>Vector Three</b>	36,345	6,334	73%
<b>Axis Tower One</b>	40,869	2,835	94%
<b>FCC Tower One</b>	20,612	2,886	100%
<b>Boracay Lot</b>	29,086	1,077	100%
<b>Total</b>	<b>330,448</b>	<b>47,456</b>	<b>84%</b>

As of September 30, 2023, FILRT shows a more diversified tenant mix versus a year ago with the addition of new tenant types such as the Crimson Boracay hotel and the expansion of co-working space provider, FLX. FLX is a co-working joint venture between FLI and KMC Community Inc. FILRT's tenant portfolio remains POGO-free.

<b>Tenant Mix</b>	<b>Sep 2023</b>	<b>End 2022</b>
<b>BPO</b>	78%	89%
<b>Traditional</b>	9%	10%
<b>Co-Working</b>	2%	0%
<b>Retail</b>	1%	1%
<b>POGO</b>	0%	0%
<b>Hospitality</b>	10%	0%
	100%	100%

FILRT started diversifying its portfolio by acquiring the 29,086-sqm land in Boracay last December 2022. The current valuation of the Boracay lot is Php 1.1 billion. It is the first non-office asset of FILRT diversifying its portfolio from 100% offices down to 91%. Located in Visayas, this is the second asset of FILRT outside of Northgate Cyberzone. Crimson Resort and Spa Boracay recently won the Best for Families award at the Condé Nast Johansens Awards for Excellence 2024.

### III. Investment Strategy: Next 3-years 2024-2026

The Philippine property market is expected to grow at a faster pace beyond 2024 across all sectors---Office, Retail, Hospitality, and Industrial. It expects to benefit from sustained consumption-led economic growth and ramped up government spending.

FILRT aims to increase occupancy levels and increase its GLA to provide stable, competitive and growing returns to investors. FILRT’s strategy to achieve these goals is outlined in the following investment objectives for the next three years (2024-2026).

**A. Choose Sustainability. Choose Filinvest.** FILRT aims to be the leading and dominant sustainable REIT Company with a commitment to green/sustainable certifications for its buildings and to provide strategic and eco-sustainable solutions for its customer tenants as an office space provider. This strategy enhances FILRT’s value proposition as (1) a responsible organization in the community, (2) a valued partner for its customer tenants and (3) as a reputable office provider of quality and sustainable buildings. We expect these to translate to long-term growth.

FILRT aims to achieve and is on track to achieve EDGE Champion status (200,000 sqm of EDGE-certified buildings) by 2024. A building that qualifies for EDGE certification means that it is able to generate a minimum savings of 20% in energy, water, and embodied energy in materials.

For the next three years, FILRT will continue to invest to increase the number of buildings to be green-certified by at least three certifications every year. FILRT anticipates to generate long-term savings in energy use, water consumption, and other efficiencies.

There are other office properties from the Sponsor, FLI, which have the potential for infusion into FILRT and already have green certifications, namely:

Building	Location	Certification
<b>Bay City Building A</b>	Pasay	LEED Silver
<b>Bay City Building B</b>	Pasay	LEED Silver
<b>Bay City Building C</b>	Pasay	LEED Silver
<b>Bay City Building D</b>	Pasay	LEED Silver
<b>Axis Tower Two</b>	Alabang	LEED Gold, WELL Silver
<b>Axis Tower Three</b>	Alabang	LEED Gold
<b>Axis Tower Four</b>	Alabang	LEED Gold
<b>Studio 7</b>	Quezon City	LEED Silver
<b>One Filinvest</b>	Ortigas	LEED Gold

**FILRT’s aim to achieve 100% renewable electricity for its tenants.** In 2023, eight of its buildings or 47% are already running 100% on renewable energy. By 2024, FILRT intends to increase the number of buildings sourcing from renewable energy to 13 or 76%.

**To be the Partner of Choice**, FILRT aims to be the top-of-mind choice among tenants and to be known for providing the best quality offices and property services. This includes delivering safe and eco-friendly live, work, play, and learn environments. FILRT aims to create a cohesive township in Northgate Cyberzone by conducting in-person engagement marketing activities for tenants.

**FILRT aspires for Net Zero in a decarbonized society** through sustainability initiatives and energy efficiencies. Studies will be conducted on how efficiency savings in power, water, and air conditioning can be shared with tenants. Sustainable programs, such as rain harvesting, are being explored and implemented.

- B. Strong leasing strategy.** FILRT aims to increase overall occupancy for existing assets, as well as assets for infusion. Through a strong leasing strategy, FILRT targets to increase its occupancy rate from 84% to 95% in less than three years.

FILRT has revised its leasing strategies in 2023 in response to the challenging market. So far, these strategies are showing positive results. Net take-up for 2024 is likely to be supported by demand from traditional and outsourcing firms.

To address occupancy and in anticipation of the potential effects of artificial intelligence to the BPO sector, the Company will drive tenant diversification to include more traditional offices (comprised of local companies, ROHQs) and non-traditional offices, such as government offices, co-working/flexible office, healthcare providers, and educational institutions. It has been repositioning and retooling its sales organization including its channel marketing efforts to enable the shift in tenant mix.

FILRT may repurpose more spaces as a response to the growing needs of existing and potential tenants. FILRT will also re-design additional floors as part of its co-working expansion. The co-working JV is a response to the effects of increased hybrid work set-up requirements of some of its customer tenants.

To drive lead generation and sign-ups for new leases, FILRT has provided a more compelling value proposition to its partner brokers and potential tenants.

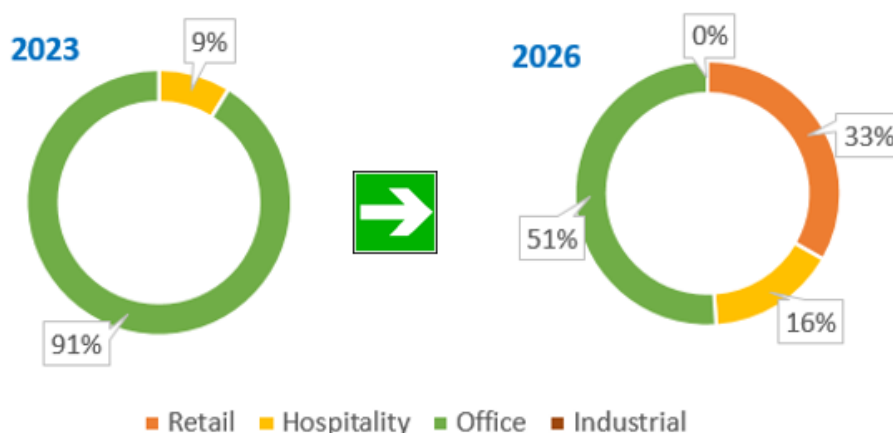
Northgate Cyberzone is also primed to attract new tenants, anchoring on flight-to-quality relocations. The third quarter report of Colliers for 2023 indicates that 69% of relocations in Metro Manila are towards newer, higher-grade buildings in the primary submarkets where quality and value have been the considerations of tenants.

FILRT is capitalizing on the expertise of its property manager, PWSI, to implement proactive asset management and enhancement. Top-quality and resilient operations 24/7 are expected to result in better command on rental rates.

**C. Dividend-Accretive Acquisitions and Diversified Portfolio.** FILRT targets to at least double its current GLA by acquiring dividend-accretive assets with a more and diversified mix in the next three years, subject to the prevailing market conditions.

Currently being studied and being prepared are the infusion of retail and hospitality assets, which is aligned with its objective of diversifying its revenue sources and tenant mix. The office sector of FILRT currently contributes about 90% of total GLA. FILRT targets to reduce this to about 50% by 2026.

In recognition of increasing occupancy from non-office leasing segments, we have identified assets (from a mix of retail and hospitality) which will pull up overall occupancy as well as provide stable dividend-accretive yields to FILRT's overall portfolio.



There is about 900,000 sqm from the Sponsor's and the broader Filinvest Group that have potential for infusion to FILRT notwithstanding new assets for completion in the next few years. These are Grade A buildings, retail assets under its Filinvest malls and townships portfolio, and hotels under the Crimson and Quest brands already operating in key cities plus more expected in key tourist destinations. GLA from the commercial assets of third parties, outside of the company group, will also be assessed for potential acquisition.

#### IV. Financing Strategy

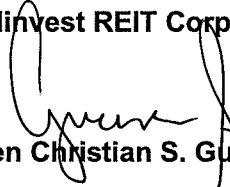
FILRT intends to fund asset acquisitions through an optimal mix of debt and equity, including tax-free exchanges. FILRT's gearing ratio is at 12% providing room to utilize additional leverage up to 35% of the deposited property value. Capital markets may also be accessed for debt, equity, or hybrids. Derivatives may also be utilized to hedge financial risk exposures. Funding for infusions will be determined based on dividend yield protection, total return to shareholders, and market conditions.

**SIGNATURE**

In compliance with the reportorial requirements of the REIT Implementing Rules & Regulations under Republic Act No. 9856, the Issuer has duly caused this report to be signed on its behalf by the undersigned.

Issuer: **Filinvest REIT Corp.**

By:



**Ven Christian S. Guce**

President and CEO  
FREIT Fund Managers, Inc.

20 December 2023