



SUCCESS STORY

VALUATION OF SOFITEL PHILIPPINE PLAZA



Suite 128, Sofitel
Philippine Plaza
CCP Complex, Roxas
Boulevard
Pasay City, Metro
Manila, Philippines

TEAM

Marissa Benitez
Paul Vincent Ramirez
Christian Clemente
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STATISTICS

Number of Locations – 1
Number of Parcels – 1
Number of Buildings – 1
Land Area – 51,788 square
meters

SERVICES PROVIDED

Valuation

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CHALLENGE

Sofitel Philippine Plaza, then known simply as the Philippine Plaza, was built during the administration of then President Ferdinand Marcos to serve as billeting venues for delegates at the 1976 Annual Meetings of the International Monetary Fund and the World Bank, both of which was hosted in the country. The hotel was among the seven properties sold by the government for ₱1 billion during at least the first half of 1987. Allied Kajima purchased 8.8 million shares of Philippine Plaza Holdings in 1991.

STRATEGY

The land on which the hotel sits is owned by the Government Service Insurance System (GSIS) and is covered by a long-term lease. The property is valued using the Income Approach and the Cost Approach on the leasehold improvements. In the initial years, Colliers' strategy was to request for the audited financial statements and historical occupancy and average daily room rates, and the lapsing schedules. Over the years, due to the historical data provided by Philippine Plaza Holdings, Colliers was able to provide reliable forecast of growth in rates and occupancy, which are crucial in arriving at the fair market value of the Property.

SERVICES

To provide a sound basis for the valuation, Colliers provides an overview of the Philippine tourism industry from where the assumptions are vetted. It includes industry supply and demand from information on tourist arrivals, occupancy and average daily room rates for the different geographic locations in Metro Manila and different hotel class. It helped that Philippine Plaza Holdings is very transparent with the information requested for the valuation.

Throughout the valuation exercise the team efficiently utilized its resources and closely coordinated with the Client.

RESULTS

Since 2007 up to current year, the Philippine valuation team has been providing valuation services to Philippine Plaza Holdings for financial reporting purposes for submission to the Hongkong Securities and Exchange Commission, an indication that the Client is satisfied with the services provided by the team.

