

# **Hotspot Guide**

*Philippines*

**A Sample of what's on Offer**

*Hot Spot*

**Introduction**



## **Fast Facts:**

- **Location:** Southeastern Asia, archipelago between the Philippine Sea and the South China Sea, east of Vietnam
- **Capital City:** Manila
- **Climate:** Tropical marine; northeast monsoon (November to April); southwest monsoon (May to October).



- **Average Temperature:** 24 C
- **Total Land Area:** 300,000 sq.km.
- **Official Language:** Filipino & English
  - **Total Population:** 76,058,573
  - **Population Density:** 295/km<sup>2</sup>
  - **Major Religion:** Christianity
- **Currency:** Philippine peso (PHP)
  - **GDP:** \$144.1 Billion
  - **GNI per capita:** 1792.1 US\$
  - **Inflation:** 4.2%
  - **Annual Growth:** 35%
- **Main Exports:** Electronics, garments, machinery ,transport equipment ,mineral and mineral products
- **Main Sources of Income:** Taxes and Tourism
  - **Unemployment:** 7.2 %.
- **Population Below Poverty Line:** 30%
  - **Literacy:** 92.6%
  - **Life Expectancy:** 67.5
- **Time Zone:** PHT (UTC+8)
  - **Internet Domain:** .PH
- **International Dialing Code:** 63



## Why Invest in the Philippines?

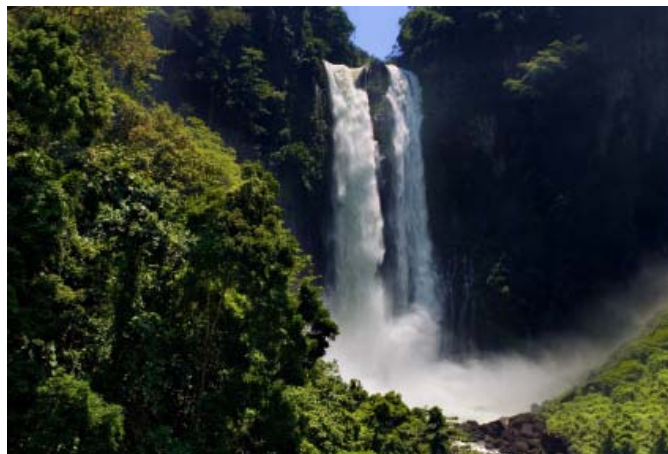
The Philippines is striving to become a main player in the global economy and if it continues to progress at its current rate, may soon achieve this goal.

The recently re-elected government is more stable than it has been in many years and increased levels of inward investment and tourism stand the country in good stead for future growth

More stable government than previous years

Growing inward investment and tourism

Low prices compared with European standards



## Geography

- The Philippines is an archipelago comprising 7,107 islands with a total land area of 300,000 km<sup>2</sup>.
- The 11 largest islands contain 94% of the total land area.
- The largest of these islands is Luzon at about 105,000 km<sup>2</sup>.
- The next largest island is Mindanao at about 95,000 km<sup>2</sup>.
- The archipelago is around 800 km from the Asian mainland and is located between Taiwan and Borneo.



## Economy

- The economy of the Philippines has a mixed economic system, and one of the newly industrialized emerging market economies of the world.
- In 2007, it was ranked as the 37th largest economy by the International Monetary Fund according to purchasing power parity.
- It is one of the fastest-growing economies in Asia, posting a real GDP growth rate of 7.3% in the year 2007.
- Growth slowed to 4.5% in 2008 as a result of the global financial crisis
- Important sectors of the Philippine economy include agriculture and industry, particularly food processing, textiles and garments, and electronics and automobile parts.
- Most industries are concentrated in the urban areas around metropolitan Manila.



## **Politics**

- The politics of the Philippines takes place in an organized framework of a presidential, representative, and democratic republic whereby the president is both the head of state and the head of government within a pluriform multi-party system.
- This system revolves around three separate and sovereign yet interdependent branches: the legislative branch (the law-making body), the executive branch (the law-enforcing body), and the judicial branch (the law-interpreting body).
- Executive power is exercised by the government under the leadership of the president.
- Legislative power is vested in both the government and the two-chamber congress -- the Senate (the upper chamber) and the House of Representatives (the lower chamber).
- Judicial power is vested in the courts with the Supreme Court of the Philippines as the highest judicial body

## **A Brief Guide to Purchasing Property in Philippines**

In essence, foreigners can only legally purchase property in certain areas of Mexico. The Mexican Constitution forbids a foreigner from buying property in either of these two circumstances:

1. Foreigners cannot legally buy nor own property which is located within 100 kilometers of Mexico's border with any country; including the United States, Belize or Guatemala. That's 62 miles and 241.3 yards from the border.
2. Foreigners cannot buy property if it is located within 50 kilometers of any of Mexico's coastlines, including any of its islands. (A 31 mile and 120.6 yard restriction)



## Property Market

- US economic woes are affecting a key sector of the Philippines property market but it is hoped the shortfall will soon be picked up by increasingly affluent Filipinos seeking investment opportunities as well as new overseas investors.
- The number of Philippines properties being bought by Filipinos based in the US and other countries has begun to fall because of the global credit crunch.
- 'It is a blow but there are new investment clients out there,' said Beth Collingz, International Marketing Director for PLC Global, a company specializing in condos and investments in the Philippines.



## Fees and taxes

### **The SELLER pays for the:**

1. Capital Gains Tax equivalent to 6% of the selling price on the Deed of Sale or the zonal value, whichever is higher.
2. Unpaid real estate taxes due (if any).
3. Agent / Broker's commission.

### **The BUYER pays for the cost of Registration:**

1. Documentary Stamp Tax - 1.5% of the selling price or zonal value or fair market value, whichever is higher.
2. Transfer Tax - 0.5% of the selling price, or zonal value or fair market value, whichever is higher.
3. Registration Fee - 0.25% of the selling price, or zonal value or fair market value, whichever is higher. Incidental and miscellaneous expenses incurred during the registration process.



**Angeles city:** has Clarks museum and lots of hotels and beautiful sightseeing can be enjoyed .

**Silay:** is popular the nice old homes there.

The house called Balay Negrense is the most famous of all the houses built there. It is always open for tourists at an affordable rate. Many taxis in the city know how to take you to Silay. There are also other houses there that you can visit. You can also take the Jeepney or the bus going to Silay

