JUN
2012
140

RICHEST FILIPINOS BUILD UP AND OUT

JULY 2012 • WWW.FORBES.COM

Forbes Asia

FORBES ASIA

THE PHILIPPINES' 40 RICHEST

JOSE ANTONIO

Glitz and Ritz

Jose Antonio is on a mission: Make Manila an international city. His strategy: Team up with celebrities and star designers.

BY SUNSHINE LICHAUCO DE LEON

Walking into a marketing event for the new Milano Residences in Manila, it's easy to wonder whether they're selling perfume, fashion or real estate. Gorgeous women in black cocktail dresses greet you on a red carpet and lead you to a room decked out in sleek black drapery. Waiters ply you with plates of gourmet hors d'oeuvres. As you leave, everyone is handed a small plate designed by Versace.

Jose "Joey" E.R. Antonio has been building and selling houses and condominiums for 25 years. But now—as he puts up thousands of units around Manila—he's betting that Filipinos are ready for the sort of high-rise luxury homes found in Singapore and Hong Kong. And to close the deal on what can be a $3 million purchase, his Century Properties Group deploys a combination of glamour, glitz and brand names never before seen in the Philippines nor even in much of Southeast Asia. He lined up Versace Home to design the interior of the 53-story Milano Residences—the first time Versace had done a project like this in Asia. He added another bit of Milan to Manila when he hired fashion house MissoniHome to design the amenities at his 52-story Acqua Livingstone.

Antonio also made a splash when he signed hotel heiress Paris Hilton to design the beach club at his Azure Urban Resort Residences. A huge lit-up billboard at Manila's domestic airport shows a relaxed and happy Hilton pitching the nine-building project. She hit town last August, laying out her design ideas at a meeting with Antonio and two of his sons, Robbie and John Victor. "Her knowledge of quality real estate is one that no other developer has been able to tap, despite her heritage and her travels," says Robbie, noting that she has 17 luxury and lifestyle product lines.

But Antonio's biggest publicity coup was doing a deal with billionaire showman Donald Trump. The New York real estate mogul is licensing his name for the 55-story Trump Tower Manila. Construction is set to start early next year and expected to be finished in 2016.

There's a method to all this marketing. Antonio, 65, is certainly changing the landscape of Manila, but he has a larger mission in mind: He wants to change the way the world sees the Philippine capital. "My dream has been to position Manila as an international city, because we lose by default against cities like Hong Kong and Singapore, where all the brands go," he says. "Our tie-up with brands like Versace is a conscious effort to position us as a city with good service, restaurants, luxury brands."

Like any good real estate man, Antonio's selling more than four walls. "Behind the brand name is quality—people pay more for certain bags because they perceive they're made of quality leather," he says. "And many products are aspirational. It's the same in real estate. People want properties in certain areas because it tells people, 'I have arrived.'"

The formula is working. Century has taken deposits on 70% of the 400-unit Milano Residences, where apartments are priced at up to $1.5 million; construction

Antonio with one of his four sons, Robbie, liaison to the stars.

should be done in 2015. The Acqua Livingstone, part of a six-building, 2,000-unit project, got commitments for 20% of its 645 units in the first ten days after sales began in February. Century started taking deposits on Trump Tower in October and says 68% of the 220 units were spoken for as of May.

Century's first-quarter net profits quadrupled, to $10.3 million, on revenue that more than doubled to $37.6 million. Last year the company, which went public in August by buying a company already listed in Manila, saw net profits quadruple to $30 million on revenue that rose by 30% to $86.9 million. One setback came in February: It hoped to sell $110 million worth of additional shares but was able to raise only $85 million. Century says, "We were satisfied."

Antonio, the chief executive and chairman, who's also called "Ambassador" because he was special envoy to China in 2005–08, owns 72% of the company along with his family. That gives him a net worth of $300 million and keeps him on the list of the Philippines' richest at No. 28 after he debuted last year. His wealth rose 22%.

Antonio's buildings draw on Manila's growing population of young professionals, but 70% of sales come from abroad. Century's network of sales offices in seven countries cater to overseas Filipinos and foreigners. Rick Santos, chairman of CBRE Richard Ellis, the largest real estate services company in the Philippines, says "high-end luxury real estate in Manila trades at a huge discount to Hong Kong and Singapore and many other Asian markets. Manila provides low-cost and high-quality luxury residential real estate." Indeed, the most expensive units in the Azure Urban Resort Residences, with the Hilton-designed beach club, go for just $165,000.

Antonio says he believes that the market is growing because the country, thanks to its millions of workers overseas, is building a middle class. "Most of them leave the country poor. The first year they pay their debts, second year they buy personal things, the third year they start investing in real estate." He says Century concentrates on Manila because "for those making money abroad, it reflects their success."

Having Paris Hilton or Donald Trump endorse the project can't hurt, either. Antonio can thank his third-oldest son, Robbie, 35, for much of the push into luxury brand partnerships. After finishing his master's at Stanford University, Robbie developed the family's first building outside Asia, the Centurion, a 48-unit, 19-story condominium building just off Fifth Avenue in New York that opened in 2009. He lined up architect I.M. Pei and his sons' firm to design the building back in 1997 Pei's firm had designed a building in Manila for Century; Antonio and Pei were friends. During his five years in New York, Robbie got to know the luxury players well: "I had been exposed to design, architecture, branding there—and I'm trying to bring it to Manila."

Jose Antonio didn't start out in real estate. He worked as a systems analyst at an oil company before going back to school for a master's in business. Then he became a management consultant and later a stockbroker. But the dismal state of the Philippine economy of the 1970s and early 1980s made him realize he had to do something else. "I was motivated by the world's major achievers; most of them had real estate as one of their major businesses and their source of wealth," he says. "Real estate development enables one to build something permanent. You can help change the skyline and improve lives."

Believing that the U.S. was the best place to learn, he spent part of 1984 working as a broker for Century 21 in San Francisco. Antonio returned to the Philippines to find that with the political turmoil, the economy was worse than ever. "When things are bad, I look at what you can make out of it. I thought it could not be worse, so I might as well focus on real estate."

His gamble paid off: two weeks after he started his company in 1986, the People Power Revolution began. The market bottomed out, and despite the country's growing pains and sometimes wrenching business cycles, things have looked up for Century ever since.

Century began by developing one building a year. Now it has 53 buildings under management or development, with 42 million square meters and 20,000 units. He started an offshoot, Century Properties Management, after seeing in the U.S. that the best way to maintain the value of a property is through a professional property management company.

FORBES ASIA

JOSE ANTONIO

STAR POWER

ROBBIE ANTONIO SPENT FIVE YEARS IN NEW YORK AFTER GRAD SCHOOL DEVELOPING A CONDO PROJECT AND MAKING CONTACTS THAT SPURRED CENTURY'S EXPANSION IN THE MANILA LUXURY MARKET. HERE'S HOW HE CONNECTED WITH EACH:

Met Richard Hilton through a friend in New York who introduced him to his daughter PARIS HILTON, and she agreed to design the Paris Beach Club at the Azure Urban Resort Residences.

Was introduced to Ivanka Trump to discuss a business deal in New York; then she had him meet her father, DONALD TRUMP, and a partnership was formed for Century to build Trump Tower Manila.

Met with VERSACE HOME to discuss a deal in South America that later fell through due to the global financial crisis. When he approached the firm again, it agreed to take on the interior design of Milano Residences.

Met "a guy someone who knew" people at MISSONIHOME and persuaded the Italian firm to design the common areas at Acqua Livingstone Tower for its first condominium project.

Lined up I.M. PEI and Pei Partnership Architects to design the Centurion in Manhattan. Pei had designed Century's first luxury building in 1997; he was a friend of Jose Antonio.

Met the chairman of Yoo Design Studio, a partner of French designer PHILIPPE STARCK, leading Century to enlist him to design the common areas of its new Manila Tower.

Antonio began sales for his first luxury building in 1997, and it was sold out in the same year. It was the first development in Fort Bonifacio, and he believed that the former military camp next to Makati would soon benefit from its proximity to Manila's premier business district. "I thought about how to differentiate our building," he says. "I said, 'Let's construct quality—get a renowned architect to do it.'" So he got Pei Cobb Freed & Partners.

Finding the specific needs of his target market and translating them into projects has been another cornerstone of his strategy. When focus groups showed that women buyers dreamed of a quality kitchen, he became the first to deliver a fully fitted kitchen with name-brand appliances. He says, "Being first creates a classification of its own, that you are pioneering good ideas and translating them into products. We are slightly higher-priced, but we learned it's very wise to offer a fully fitted unit—with cabinets, walls, floors, even a TV. Others sell it bare. When we turn it over, they can move in and hang their clothes. Most of our buyers have little time to decorate their homes."

Century now has three huge projects under development. CBRE Richard Ellis' Santos points out that there is still an undersupply of upmarket homes in the villages around Makati and of luxury condos in Fort Bonifacio and Makati: "There is a great pent-up demand for high-end luxury real estate and a strong need for innovative players." Antonio isn't worried about overexpansion, either, citing a healthy business-outsourcing sector, a new generation of entrepreneurs catering to a high-spending middle class and malls extending into diverse areas of the city. "We have a young population," he says. "The unemployment rate is single-digit. Local banking is conservative and robust. We avoid selling to speculators."

All four of Antonio's sons help run the family business. John Victor, the oldest, is a co-chief operating officer. Marco is the second oldest; he and Robbie are managing directors and manage specific projects, as does John. The youngest, Carlo, is the chief financial officer. "Every night at dinner," their father remembers, "I would tell them about my day, my problems, opportunities, excitement, so I think it rubbed off on them." Says Robbie: "He took us along to his daily trips to construction sites and the office. We witnessed how passionate our father was and is about the industry and about transforming the city into a global destination."

Although all the sons went to the U.S. for university—Robbie was an undergrad at Northwestern and the other three went to Wharton—they all returned home to practice what they learned. Their father explains, "I said, 'Come back because I am creating a platform for growth for you. Bring it to where you want it, but the base is already created.'"

At the company's 25th anniversary celebration last year, Carlo explained the family dynamic: "My father is the head, my mother [Hilda Reyes Antonio] is the heart, my two older brothers are the two legs, and younger brothers are the arms, so we are a complete body."

Antonio's passion project is Centuria Medical Makati. Antonio believes that medical tourism in the Philippines has lots of potential—not only because the Philippines has a big supply of doctors and nurses, but also because the cost of treatment is far less than in the U.S. "It's a service that other countries are doing today which we're not," he says.

Century also plans to expand into tourism. It is banking land on certain islands and looking for opportunities in tourism-related infrastructure projects. He says, "I would like to be there—bridges, airports, roads."

There are no signs that Antonio will be slowing down soon, and if anything, having his sons onboard has energized him to aim higher. "I will never retire because to retire is to expire."

ROBBIE ANTONIO

REAL-ESTATE INNOVATOR

FILIPINOS HAVE A THING FOR OWNING A PIECE OF LAND—IT IS CONSIDERED A MARK OF SUCCESS, EVEN GROUNDS FOR A LEGACY. However, if Robbie Antonio has anything to say about it, Filipinos will soon be lining up to own a piece of the sky.

Permanently changing the Manila cityscape are Century Properties' many developments. As managing director and board member, Robbie Antonio, undoubtedly brings the swagger and worldliness into its innovations. Effortlessly chic, Robbie is everything his products are—elegant, smart and always more than meets the eye. Unsurprisingly then, he has in his roster covetable addresses the Trump Tower, Milano Residences with its Versace interiors and Acqua with its Missoni Home furnishings.

Robbie declares, "We believe a home is an aspirational product, and not just a shelter. It is an investment, a showpiece, a living monument to the owner." He has brought the world to our metropolis, with top-of-the-line collaborations. "Collaborations between unlikely brands and industries have been a trend in the last decade, but the merger between fashion houses and real estate is inevitable, given that both adorn the human form," Robbie reveals.

An art-lover, Robbie credits his father and luxury house leaders Bernard Arnault of LVMH and Francois Pinault of Gucci PPR as his biggest inspirations. Robbie shares of his father, "He built our 26-year-old company from the ground up, six days prior to the first EDSA revolution, which speaks volumes on his ability and business acumen to develop a full service real estate firm at a time of social and economic unrest."

And while Robbie lives in a very different time, he is clearly out to shape it in ways his father did. Robbie ponders, "A global Pinoy is someone who perpetually grows and learns to suit the world's rapidly evolving times. He is not intimidated by change, but embraces it, and allows himself to permeate seamlessly with any given situation, wherever he may be." Robbie knows his time is now.—MY

Photography by Cyrus Panganiban. Art direction Mica Santos. Shot on location at the Trump Tower showroom