

ProSPER LP Assignment

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Target 11.7: By 2030, provide universal access to safe, inclusive and accessible, green and public spaces, particularly for women and children, older persons and persons with disabilities

Featured company: Ayala Land, Inc.

Introduction

Ayala Land, Inc. (ALI) is a leading property developer in the Philippines and is a subsidiary of the Ayala Corporation. The conglomerate is one of the largest in the country, with P266.8B in revenues in 2017 from industries such as banking, telecoms, real estate, energy, and infrastructure.ⁱ Meanwhile, with a market capitalization of \$12B, ALI's portfolio includes residential estates, condominiums, malls, hotels and resorts, as well as offices.ⁱⁱ ALI is widely known to appeal to urban, upmarket consumers, as is the case for most of Ayala Corporation's subsidiaries.

Ayala Corporation is recognized locally and internationally for its efforts to incorporate sustainability principles in its businesses. Last year, CEO Jaime Augusto Zobel de Ayala was named as one of ten 2017 UN SDG Pioneers by the UN Global Compact (Schnabel, 14 September 2017). Relatedly, Ayala Corporation emphasizes the integration of sustainability and shared value creation into a corporate strategy that contributes to nation building:

“At Ayala, we align our objectives with the United Nations Sustainable Development Goals. As we operate in various sectors of the economy, we have increasingly realized the importance of creating value not only for our businesses, but also for a wider ecosystem: our stakeholders, the communities in which we operate, and the environment. As our businesses grow, so too does the impact that we have on the country.”ⁱⁱⁱ

To a large extent, Ayala Corporation's efforts to address SDG11 on Sustainable Cities and Communities have been implemented through ALI. Notably, ALI boasts of 25 master-planned estates that are resilient, pedestrian-friendly, public transport connected, and eco-efficient, while ALI's Ayala Malls provides space for nine point-to-point bus routes to encourage commuters to use public transportation.^{iv} These figures reflect ALI's four-pronged approach to sustainable property development: site resilience, pedestrian and transit-connectivity, eco-efficiency, and local employment.^v Future ALI plans include becoming carbon-neutral by 2022.^{vi} For its efforts, ALI was awarded Most Socially Responsible Company of the Year by the Asia Corporate Excellence & Sustainability Awards (ACES).^{vii} ALI is also the only Philippine company that made it to The Sustainability Yearbook 2018 as one of the most sustainable companies in the world.^{viii}

Initiative 1: Ayala Triangle Gardens

The Ayala Triangle is a seven-hectare sub-district that lies at the heart of the Central Business District (CBD) in Makati City, the economic capital of the Philippines. Ayala Triangle is bordered by three major avenues that hold the distinction of being once part of the first airport on Luzon island, the largest and most populous island of the Philippines which contains several major cities, including Metro Manila.^{ix} It is also known as the biggest landscape in Makati CBD.^{xi} In 2009, A two-hectare patch of green within the Ayala Triangle was launched by ALI as Ayala Triangle Gardens (ATG), a landscaped development that serves as the backdrop for the distinct architecture that houses the Ayala Corporation offices, other multinationals, and the Makati Stock Exchange.^{xii} ATG also contains a variety of local plants and trees, walkways, public art, and a row of mostly upscale dining establishments. The gardens are also a transit route from offices in the CBD (via overground and underground walkways) towards the cluster of shopping malls and transport terminals that form the Ayala Center, also an ALI development. The Ayala Triangle website (2018) describes the area as “the ideal spot for people who want to distance themselves from the everyday hustle and bustle to relax, unwind and get in touch with nature.”^{xiii} Furthermore, ALI Chief Architect Joel Luna stated that the concept of Ayala Triangle gardens, “an outdoor living room for the CBD,” was influenced by several factors, including the need to preserve existing mature trees, the site’s location at the center of Philippine business, historical roots as a former airstrip during World War II, and parks in other countries that serve as benchmarks for successful public outdoor places.^{xiv}

As a former resident and office worker at Makati CBD, I have seen for myself how the public has been drawn to the outdoor spaces of Ayala Triangle. Even before the launch as Ayala Triangle Gardens, Christmas light displays in Ayala Triangle have invited office workers and families from Makati City and beyond to enjoy the visual spectacle, which is sometimes accompanied by free public performances. It is also known as the lungs of the CBD, with its trees providing shade and comfort from the glare and heat of the urban jungle at the street level. On weekends, the space is shared by fitness enthusiasts, families, pet owners, and occasionally, micro-entrepreneurs. Thus, even though Ayala Triangle is technically built on private land, the public has, to a certain extent, claimed the space as their own. It is not surprising then the public, especially on social media, opposed ALI’s 2015 plans to develop a portion of the Ayala Triangle Gardens into a hotel and premium office tower.^{xv} To allay fears that the already sparse greenery in Makati City (and Metro Manila) might completely disappear, ALI’s Chief Architect Joel Luna reassured the public that only 1.8 hectares of the seven-hectare Ayala Triangle will be allocated for the new development, which will have even more gathering spaces that feature stairs, ramps, and terraced planting.^{xvi} However, since Ayala Triangle Gardens takes up only two hectares, and the 1.8-hectare development will occupy this area, the extent to which the Makati CBD office-going public will enjoy even more community spaces in the future remains to be seen.

Initiative 2: Vertis North and Vertis North Gardens

ALI’s Vertis North is a new 45-hectare mixed-use development in Quezon City that contains residential towers, shopping and dining areas, offices, and a hotel; it is a partnership between ALI, Quezon City (QC) Government, and the National Housing Authority (NHA).^{xvii} ^{xviii} Vertis North promises to be a “dynamic engine of growth” in “an inspiring new address” while also solving the need for urban efficiency through ecological and sustainable design (Ayala Land, 7 December 2016).^{xix} For example, the development will feature an integrated basement parking system to decongest traffic above, as well as create more space for greenery, jogging paths, and

bike paths.^{xx} In many ways, Vertis North appears to be the counterpart of Makati City's Ayala Triangle in Quezon City. As with Ayala Triangle Gardens, the two-hectare Vertis North Gardens will be centerpiece of this sprawling development.^{xxi} The park will supposedly feature wide lawns and sloped, terraced gardens for public events.

Vertis North is currently a work in progress, however, certain buildings such as the hotel, a few residential towers, and the shopping mall are already present. The Gardens have yet to be unveiled, although considering the build quality ALI's existing mixed-used projects, I have little doubt that there will be many deviations from the promised jogging and bike paths and terraced slopes and gathering places. Vertis North Gardens also appears to be accessible to the public, given its proximity to high-traffic bus and jeepney terminals. However, and despite offering green public spaces, the extent to which Vertis North as a development caused the displacement of informal settler families, as well as micro-entrepreneurs that comprise the Manila Seedling Bank Foundation (MBSF), is a cause for great concern. While not technically a charity, the Foundation was granted usufruct rights to the NHA property during the Marcos government as an incentive to sell seedlings to the public at very low prices, and revenues are ploughed back into the nursery.^{xxii} However, given tax payment issues and expiration of the lease, the QC Government reportedly seized the MBSF lot and awarded it to ALI, which had already started development in the adjacent parcels of land.^{xxiii} Meanwhile, in 2010, residents of Sitio San Roque (on which part of Vertis North now stands) clashed for seven hours with the police as demolition teams from the NHA penetrated their makeshift barricades; more than a hundred homes were demolished and more than a dozen were injured.^{xxiv} Notably, ALI is just one of the companies involved in major developments that comprise the masterplan for the QC Central Business District (QCCBD), which stands to displace approximately 24,000 families.^{xxv} Informal settler residents of Sitio San Roque who resisted the housing options provided to them in nearby provinces reasoned that these were too far from their livelihoods; they also mentioned that they had already invested in the land by building housing structures and planting trees and vegetable gardens.^{xxvi xxvii}

Initiative 3: Nuvali

Nuvali is another mixed-used development by ALI located in Santa Rosa City in the Southern Luzon province of Laguna. The former sugar plantation in the 1800s is now Ayala Land's first and largest eco-city, featuring "a vast gathering of residential communities, business spaces including the LEED silver certified NUVALI One Evotech, lifestyle centers, recreational venues and other living essentials" in an environment containing 51,986 trees.^{xxviii} The development further features ~~of~~ 50 km worth of scenic bike and running trails catering to a range of abilities and which are open to the public; offices and retail areas integrated into the surrounding greenery; an art trail dotted with nature-inspired installations; and, last year, a sports camp for women and girls in celebration of Women's Month.^{xxix}

Of the three ALI developments reviewed in this paper, Nuvali provides the most amount of green space. It is also the only development that cared to mention an activity related to women and girls. Meanwhile, having visited Nuvali, I observed that the development is not that accessible to public transport. While most areas are open to the public, the greenery is most conveniently reached by private vehicles. Or, residents and visitors might arrive in the area first in private vehicles, then opt to roam on foot or using their bicycles. Furthermore, the white-collar offices,

upscale establishments, and pricey residential and commercial real estate already filters the type of people who can participate in this kind of development.

As with Vertis North, the verdant spaces of Nuvali also came at a price. Ortega discussed how farmers who lived on the site contested the development and were in fact able to push for a moratorium on further construction.^{xxx} Despite the moratorium, development continued, recalcitrant residents were harassed, and six communities were eventually displaced.^{xxxii}

Conclusion

Compared to other corporations in the Philippines, ALI invests far more to implement concrete measures to adhere to global standards of sustainable development. These three cases were discussed in order of the timelines of their development, and the improvements over time made to better address sustainability standards with each new development are clear (to clarify, ALI has many other ongoing developments across the country aside from the three discussed here). With regards to Target 11.7, there is certainly an effort to increasingly invest in green spaces within their properties. However, there are no mentions of specific long-term activities geared towards improving the active involvement of women, children, or PWDs in these spaces. Furthermore, given the upscale image of Ayala Corporation, ALI, and their subsidiaries, these properties are not necessarily accessible nor inclusive to a large degree. For example, while there are no explicit policies that prevent the urban poor from visiting these developments, their price points and the types of jobs they attract from the onset discourage certain groups from participating in ALI spaces through various modes of consumption. Also, while ALI likes to label their mixed used developments as “cities”, the Ayala Triangle Gardens and Vertis North cases have shown that office workers, consumers and community stakeholders can hardly block a feature or development trajectory that, in the long run, will still make a great deal of business sense for the company. Moreover, adherence to global sustainability standards and placemaking efforts that materialize imaginations of economically competent, “world-class” global “cities” do not guarantee that projects associated with sustainable urban development will necessarily benefit directly affected local communities.^{xxxiii} In fact, two of the developments discussed here have directly lead to the displacement of thriving local communities. Consequently, the limitations posed by the profit imperative on including a wide range of external stakeholders constrains the desire and ability of urban developers in the private sector to holistically address the SDGs. In conclusion, assessing urban development projects for their sustainability requires critical reflection of the structures of power that ground their creation: For whom, to which end, and with what consequences is the discourse of sustainable development mobilized and reified?

Endnotes

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^v Ayala Corporation, Integrated Report, 33.

^{vi} Ayala Corporation, Integrated Report, 8.

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