

Most Filipinos Can't Afford Housing Not Because Homes Are Expensive.

It's Because They Don't Earn Enough.

Filipinos are struggling with housing, yes. But the data shows an inequality problem — deep, structural, and decades in the making.

What Did The Economist Actually Report?

More than half of Filipinos reported "housing-related difficulties" in 2025 — the highest share in Asia.

Source: Gallup World Poll, as cited by The Economist (March 2026)

The Philippines ranked higher than:

- Sri Lanka
- Myanmar
- South Korea
- Singapore
- Australia
- United States

BUT — IS THIS A HOUSING STORY OR AN INEQUALITY STORY?

The framing matters. It points to different diagnoses and different solutions.

It's Not the Rent. It's the Paycheck.

Philippines rent is 80.7% LOWER than in the US (Numbeo, 2026)

Hong Kong, Singapore, and Tokyo all have higher nominal rents.

141%

Manila rent as % of monthly income (ULI 2025)

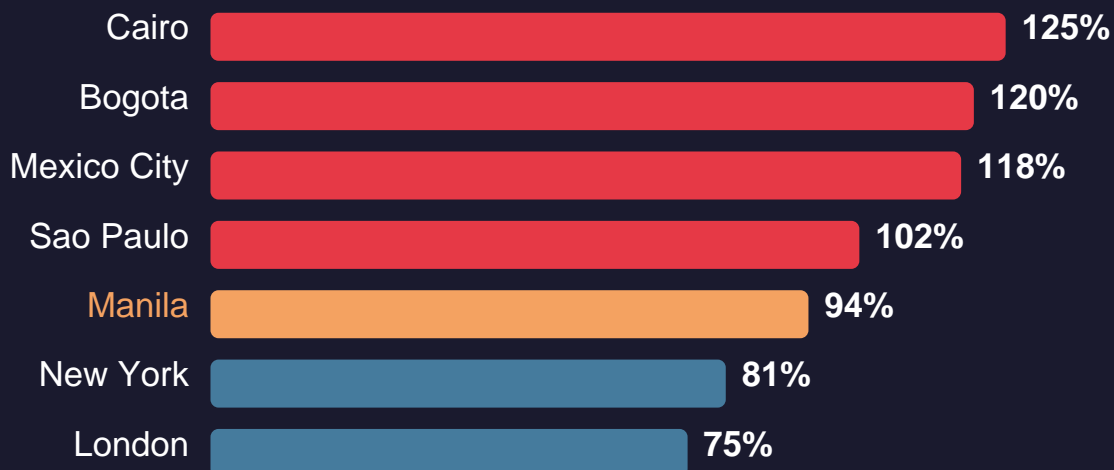
94%

Manila rent-to-salary ratio (Deutsche Bank)

30%

Threshold advisers consider safe

Global Rent-to-Salary Comparison (City Centres)



Philippines is worst in Asia — not because rents are highest, but because incomes are far too low relative to housing costs.

What Filipinos Earn vs. What Housing Costs

AVERAGE HOUSEHOLD INCOME

National average:

P29,435 / month

Metro Manila:

P42,793 / month

PSA FIES 2023

WHAT HOUSING COSTS

Studio in Makati (rent):

P25,000–35,000/mo

2BR condo, Makati (rent):

P120,000–180,000/mo

Daily Tribune / listings 2025

Price-to-Income Ratio (Condo in Metro Manila)

Affordable (5x) | Philippines: 19.8x (condos) | 33.4x (townhouses)

Since 2019: NCR incomes grew 20%.

Property prices surged 62%. (BSP Residential Property Price Index)



"They Only Have Themselves to Blame."

You hear this constantly in the Philippines:

- "The neighbor bought a car before a house."
- "The family spent OFW money on a fiesta."
- "The breadwinner gambled it away."
- "They had too many children."
- "They took a government job instead."

When the MAJORITY cannot afford median rent on median income, that is not a collection of bad personal decisions.

That is a structural condition.

The "irresponsible poor" framing exempts from scrutiny:

- Developers who built 80,000 units nobody at median income can buy
- Banks that repriced mortgages into default territory
- Landlords whose rents consume 94% of a typical Manila paycheck
- A political class that treats socialized housing as a photo opportunity

The Gini coefficient doesn't care whose fault it is.

Neither does the rent bill.

If Nobody Can Afford It, Then Who Is Buying?

TIER 1 — THE WEALTHY

Old money, business families, professionals

BGC, Rockwell, Makati: P150K–P400K+/sqm
P50M–P100M+ standalone house and lot

TIER 2 — OFWs & REMITTANCES

10.8 million OFWs in 210 countries

\$29.2B remittances (Jan–Oct 2025)

World Bank: 60% of remittances → real estate

TIER 3 — BPO WORKFORCE

\$40B industry; 1.9 million workers

Primary market: townships in Cavite, Laguna, Cebu

Earning 2–3x the national average



Mid-range township

Everyone below these groups — which is MOST Filipinos — is locked out of ownership, trapped in a rental market priced for someone else.

Developers Misjudged the Market. Badly.

80,300

unsold condo units in Metro Manila
(as of November 2025)

Breakdown of unsold stock:

67% — Upper-middle (P4M–P12M)

<1% — Low-income segment

Developers built for a middle class that doesn't exist at that scale.

OFWs, BPO workers, and old-money buyers create an ILLUSION of a thriving middle class.

BSP (early 2025): Rising non-performing residential loans

concentrated in mid- and low-cost segments.

5.8 years — estimated to clear Metro Manila inventory (Colliers Q3 2024)

A Two-Track System — And It Cuts Along Class Lines

PAG-IBIG FUND (Government)

- 3% — socialized housing (min-wage earners)
- 5.75% — 1-year repricing period
- 6.25% — 3-year repricing period
- Loan terms up to 30 years

CATCH: Ceiling is P950,000 (house & lot)

= buys almost nothing in any urban area.

COMMERCIAL BANKS

- 6.82%–7.94% nominal rate (early 2025)
- 7.18%–8.78% effective rate
- BDO: 6% fixed year 1, then repriced
- BPI & Metrobank: similar structure
- Most loans repriced every 1–5 years

THE REPRICING DANGER:

Locked in at 6% in 2021? Repricing now at 8%+ = thousands of pesos MORE per month on a P5M loan.

Wealthy BGC buyer: assets, savings & family wealth absorb a rate shock. Mid-range buyer who stretched: has none of those buffers.

The mortgage system amplifies the inequality

it was supposed to help bridge. (Bloomberg, Nov 2025: BSP rate cuts have NOT passed through to bank mortgage rates.)

Not a Housing Problem. An Inequality Problem.

PIDS: Philippines has the HIGHEST Gini coefficient among ASEAN six largest economies.

The housing market is its most visible symptom.

The reinforcing cycle:

Cannot afford to own → Don't build equity → Can't leverage assets → Wealth gap widens

Both a Gallup respondent in Tondo and one in a Laguna township may report "housing difficulty" — but they describe consequences of the SAME underlying inequality, not the same problem.

**The fix starts not with housing policy but with wages.
Housing is the symptom. Inequality is the disease.**

Treating one without confronting the other is how you end up building 80,000 units nobody at median income can afford to buy — and calling it a market.

A Rights Failure, Not Just a Market Failure

What the law — Philippine and international — actually requires:

PHILIPPINE CONSTITUTION

Art. XIII, Sec. 9

State must pursue affordable housing for underprivileged citizens.

RA 7279 (1992) operationalizes this: socialized housing quotas, protection from forced displacement. The right is codified. The gap is not.

ICESCR — ART. 11

Right to Adequate Housing

Philippines ratified: June 7, 1974.

Gen. Comment No. 4 (1991):

housing costs must not threaten satisfaction of other basic needs.

Median rent at 141% of income: this threshold is obliterated.

ICESCR — ART. 7

Right to Fair Wages

Gen. Comment No. 23 (2016):

fair wages are above minimum wage.

States must move wages toward the real cost of living.

Art. XIII Sec. 3 of the Constitution: workers guaranteed a living wage.

ILO & UDHR

International Labour Standards

ILO Conv. No. 99: ratified.

Conv. No. 131 principles: wages must reflect workers' family needs.

UDHR Art. 23: remuneration ensuring existence worthy of human dignity.

Progressive realization is NOT a license to move backward.

NCR incomes +20% since 2019. Property prices +62%.

Framing this as a rights failure is not hyperbole. It is the law.

Four Markets. One Country. Almost No Overlap.

