PHILIPPINE COMPETITION COMMISSION
Ensuring businesses compete and consumers benefit

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**IN THE MATTER OF THE PROPOSED ACQUISITION BY CENTURY PROPERTIES GROUP INC. OF ALL THE SHARES OF MITSUBISHI CORPORATION IN PHIRST PARK HOMES INC., AND THE ACQUISITION OF CENTURY LIMITLESS CORPORATION OF ALL THE SHARES OF MCCAVITE HOLDINGS, INC. IN TANZA PROPERTIES I INC., TANZA PROPERTIES II INC., AND TANZA PROPERTIES III INC.**

**MAO Case No. M-2023-016**

**x-----------------------------------------------------x**

## COMMISSION DECISION NO. 16-M-016/2023

This refers to the proposed acquisition by (i) Century Properties Group Inc. (Century) of all the shares of Mitsubishi Corporation (Mitsubishi) in PHirst Park Homes Inc. (Park Homes) and (ii) Century Limitless Corporation (Century Limitless) of all of the shares of MCCavite Holdings, Inc. (MCCavite) in Tanza Properties I Inc. (Tanza I), Tanza Properties II Inc. (Tanza II), and Tanza Properties III Inc. (Tanza III) (collectively, referred to as the Parties). The Parties submit these acquisitions (Transaction) to the Philippine Competition Commission (the Commission) for review.[1]

Upon careful review of the existing market conditions, various submissions and representations of the Parties to the Commission, the application of the PCA, its Implementing Rules and Regulations, related issuances, and based on the findings and recommendations of the Mergers and Acquisitions Office (MAO), the Commission finds that the Transaction will not likely result in substantial prevention, restriction, or lessening of competition in the relevant market for the reasons discussed below.

### The Parties

Century is a domestic, publicly listed financial-holding company engaged in real estate development and sale of residential projects, lease of commercial retail spaces and offices, and property management. Century Limitless is a domestic company primarily engaged in the acquisition, development, and sale of subdivided real estate.

Century and Century Limitless' Ultimate Parent Entity (UPE), Century Properties Inc. (CPI), is engaged in real estate activities through the provision of property

[1] The Philippine Competition Commission conducts review of mergers and acquisitions, including joint ventures, pursuant to Sections 16 and 17 of Republic Act No. 10667, otherwise known as the Philippine Competition Act (PCA), and Section 1, Rule 4 of the Implementing Rules and Regulations of the PCA.

management services, commercial, special, or general agency, management, marketing, investments, and technical advisory to domestic and foreign entities.

Mitsubishi is a Japanese-listed firm with investments in various industries, such as natural gas, industrial materials, petroleum and chemicals, mineral resources, industrial infrastructure, automotive and mobility, food industry, consumer industry, power solution, and urban development. Pre-Transaction, Mitsubishi owns 40% of shares in Park Homes and 40% of each of shares in each of the three (3) Tanza companies.

Park Homes is engaged in the development and sale of real property, with their subdivision units belonging to the affordable housing price segment. It is a joint venture (JV) between CPI and Mitsubishi wherein CPI has a 60% interest, while the remaining 40% is owned by Mitsubishi.

Tanza I, Tanza II, and Tanza III (Tanza Companies) are domestic corporations engaged in the acquisition, development, subdivision, and sale of horizontal real estate targeting the affordable housing price segment in Tanza, Cavite. The Tanza Companies are a JV between CPI and Mitsubishi through their respective subsidiaries, Century Limitless and MCCavite. The Tanza Companies are 60% indirectly owned by CPI and 40% indirectly owned by Mitsubishi.

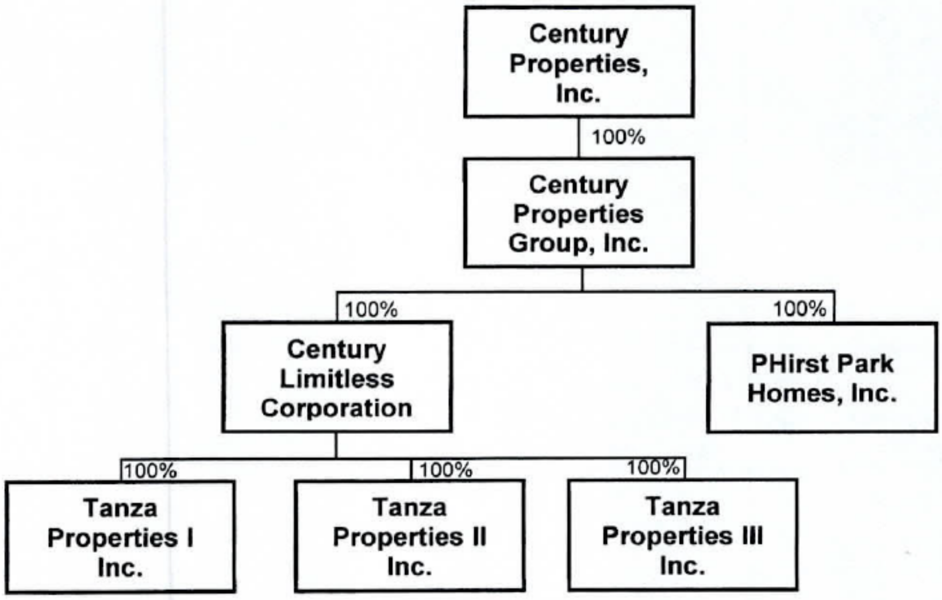
## The Transaction

The Transaction involves the purchase by Century and Century Limitless of all of Mitsubishi's shares in Park Homes and in Tanza Companies through two (2) Share Purchase Agreements: first, Century will acquire forty percent (40%) of the total outstanding capital stock in Park Homes; and second, Century Limitless will acquire forty percent (40%) of the total outstanding capital stock in Tanza Companies.[2]

Post-Transaction, Century and Century Limitless will have full control and ownership over Park Homes and Tanza Companies, respectively.

[2] Each acquisition is a condition on the fulfillment or waiver of the other acquisition.

**Figure 1. Post-Transaction Corporate Structure.**




## Discussion

After careful assessment, the Commission finds that the Transaction will not likely result in substantial prevention, lessening or restriction of competition in the development of affordable housing projects in the provinces of Batangas, Laguna, Cavite, Bulacan, Quezon, Pampanga, Bataan, and Nueva Ecija. There are no horizontal overlaps that may lead to unilateral effects, and no vertical relationships among the Parties that may give rise to foreclosure concerns.

Outside of their respective 60-40 shareholdings in Park Homes and Tanza Companies pre-Transaction, [redacted] No other entities in either of the notifying groups have products that would compete, or are substitutable, with Park Homes and Tanza Companies' real estate products. [redacted]

Based on prevailing price ranges for housing segments, it appears that Park Homes and Tanza Companies are active in the affordable housing market, while Century focuses on the upscale and luxury housing market. Thus, the two products are not substitutable.

The significant price difference among affordable, upscale, and luxury housing segments indicate that these may be considered separate product markets.[3] In view of such price difference, consumers seeking affordable housing cannot easily shift to upscale and luxury housing.

Further, the Commission recognizes that there are other real estate developers of low-rise affordable housing in the areas where Park Homes and Tanza Companies operate. These developers impose sufficient competitive constraints on the Parties, post-Transaction.

**ACCORDINGLY**, the Commission resolves to **CLEAR** the proposed acquisition by Century Properties Group Inc. of all shares of Mitsubishi Corporation in PHirst Park Homes Inc., and by Century Limitless Corporation of all shares of MCCavite Holdings, Inc. in Tanza Properties I Inc., Tanza Properties II Inc., and Tanza Properties III Inc.

This Decision is rendered solely based on the facts disclosed, circumstances of the Transaction known to the Commission during the review period, and documents submitted by Century Properties Group, Inc. and Mitsubishi Corporation.

**SO ORDERED.**

9 August 2023.

[*Signature page follows*]

[3] A house and lot categorized under affordable housing ranges from PHP 2,500,001 to PHP 3,2000,000, upscale housing ranges from PHP 6,000,001 to PHP 8,000,000, and luxury housing ranges from PHP 8,000,001 and above.

(*On Official Travel*)
**MICHAEL G. AGUINALDO**
Chairperson

[redacted]

**MARAH VICTORIA S. QUEROL**
Commissioner

[redacted]

**MICHAEL B. PELOTON**
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