



**AN ANALYSIS OF LEASEHOLD and FREEHOLD AS A  
REAL ESTATE INVESTMENT DECISION-MAKING MODEL:  
The FBDC Business Development Experience**

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**ABSTRACT**

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**SUMMARY:**

This study provides a reference literature to all property developers in the Philippines on the advantages and disadvantages of the leasehold concept as an alternative mode of property packaging. The facts about leasehold and freehold are presented to readers (i.e. Property developers) for



their use for their real estate development decision-making process especially during industry slowdown. Despite the lack of popularity of the leasehold model in the local real estate industry, this study finds it to be financially advantageous over the freehold model. However, the decision to lockout a developable real estate is a critical management decision that is usually dependent on the existing land inventory of the landowner over time. Ultimately, cost becomes essential and is the primary input that influences the investment decision of developers as well as the preference of the target buyers anchored on the affordability of the commercial space.

