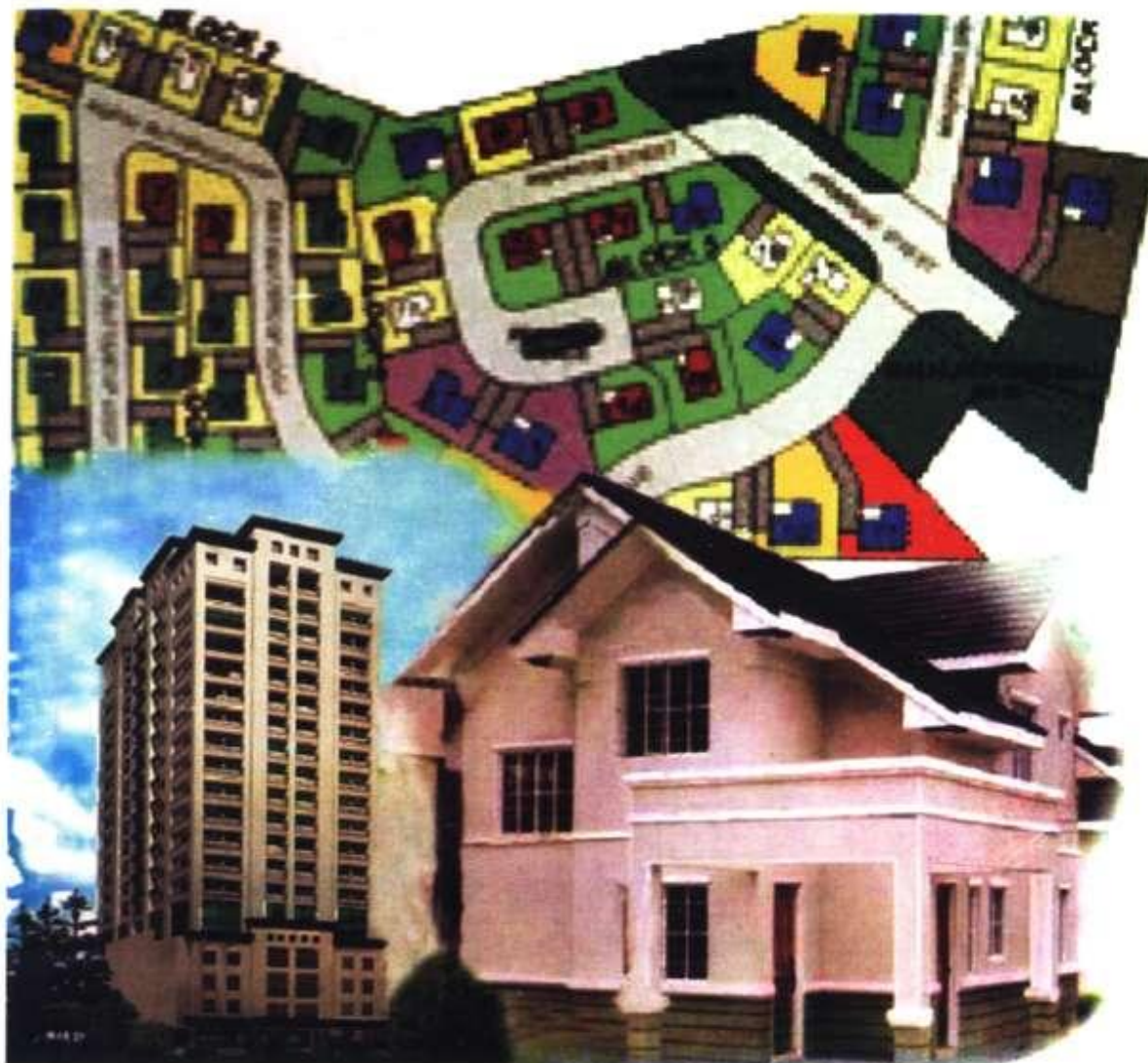


REVISED IMPLEMENTING RULES AND REGULATIONS FOR PD 957



HOUSING AND LAND USE REGULATORY BOARD
2009

REVISED IMPLEMENTING
RULES AND REGULATIONS
FOR PD 957

A JOINT PROJECT OF THE RULES AND STANDARDS
DEVELOPMENT GROUP AND THE TECHNICAL WORKING
GROUP ON THE REVISION OF THE IRR
2009 EDITION

**LIST OF BOARD RESOLUTIONS INCORPORATED IN THE REVISED
IMPLEMENTING RULES AND REGULATIONS FOR PD 957**

1. **Board Res. No. 725, series of 2002**, *“Amending the Revised Implementing Rules and Regulations for Presidential Decree No. 957 and Batas Pambansa No. 220”*.
2. **Board Res. No. 748, series of 2003**, *“Further Relaxing the Requirements for the Issuance of Certificate of Registration and License to Sell”*.
3. **Board Res. No 763, series of 2004**, *“Amending Sections 9, 10 & 11 of the Revised Implementing Rules and Regulations for PD 957”*.
4. **Board Res. No. 794, series of 2006**, *“Amending Provision on Signatories to Subdivision Development Plan and Site Development Plan for Projects under PD 957 & BP 220”*.
5. **Board Res. No. 812, series of 2007**, *“Approving the Fastracking of the Issuance of Certificate of Registration and License to Sell”*.
6. **Board Res. No. 839, series of 2009**, *“Requiring Subdivision and Condominium Owner/Developer to Submit a Copy of the Special/Temporary Permit from the Professional Regulations Commission and of the Separate Permit from the Department of Labor and Employment for Foreign Architects who Signed on Plans Required Under the Implementing Rules and Regulations (IRR) of PD 957 and BP 220”*.
7. **Board Res. No. 830-A, series of 2009**, *“Amending the Minimum Level of Development Requirement in the Issuance of License to Sell for Subdivision and Condominium Projects Under Board Resolution No. 830, Series of 2008”*.

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REVISED RULES AND REGULATIONS IMPLEMENTING THE SUBDIVISION AND CONDOMINIUM BUYER'S PROTECTIVE DECREE (PD 957) AND OTHER RELATED LAWS

Pursuant to Article IV Section 5 c) of Executive Order No. 648 the following rules are hereby promulgated by the Housing and Land Use Regulatory Board (HLURB) to implement Presidential Decree Nos. 957, 1216, 1344 and other related laws applicable to open market and medium cost subdivision and condominium projects.

RULE I MINIMUM DESIGN STANDARDS

Section 1. Design Standards for Subdivision

Residential subdivision projects shall conform with the following minimum design standards, applicable local government units' (LGU) zoning ordinances as well as pertinent provisions of the National Building Code if project is with housing component:

A. Site Criteria

1. Location

Conformity with Zoning Ordinance/Comprehensive Land Use Plan

Subdivision projects shall be located in residential zones or other areas appropriate for residential uses. If there is no Zoning Ordinance or approved Comprehensive Land Use Plan, the dominant land use principle and site suitability factors cited herein shall be used in determining suitability of a project.

Subdivision projects supportive of other major urban activities (e.g. housing for industrial workers) may be allowed in area zoned for the said urban activities.

2. Physical Suitability

Subdivision projects shall be located within suitable sites for housing and outside hazard prone areas and protection areas as provided for by pertinent laws. Critical areas (e.g. areas subject to flooding, landslides and those with unstable soil) must be avoided.

The site shall be stable enough to accommodate foundation load without excessive earthmoving, grading or cutting and filling.

3. Accessibility

The site must be served by a road that is readily accessible to public transportation lines. Said access road shall conform with the standards set herein to accommodate expected demand caused by the development of the area. In no case shall a subdivision project be approved without the necessary access road/right-of-way. Said access road right-of-way may be constructed either by the developer or the local government unit.

B. Planning Considerations

1. Area Planning

Planning and designing of subdivision projects shall take into account the following:

- a. safety and general welfare of the future occupants;
- b. adequate, safe, efficient and integrative road circulation system servicing every lot therein;
- c. judicious allocation of land uses for diversity *and amenity*;
- d. preservation of site
- e. proper siting or orientation of lots;
- f. harmony with existing and proposed development in the vicinity;
- g. Application of workable design principles or parameters for a well planned and self-sustaining environment.

When a developer or planner submits a Planned Unit Development (PUD) type of project, the layout shall likewise conform to the standards for residential/condominium projects.

- a. Open spaces

Open spaces shall conform to the provisions of P.D. 1216 and its implementing rules and shall include the following:

- a. 1 Streets -adequate and safe means of vehicular and pedestrian circulation and easements for utilities and planting strips, shall be provided.
- a. 2 Walks -paved walks shall be provided to the living units from streets, parking spaces and from living units to play areas.
- a. 3 Parks and playground - suitable recreational area(s) shall be allocated within the subdivision. Where applicable, a hierarchy of

such recreational areas may be provided for, such that, a strategically located main park area is supplemented or complemented by one or more smaller pocket(s) or areas for recreational use. These areas must be accessible to living units and free from any form of hazard or risk. Said parks and playgrounds shall be cleared and free from any debris. Parks and playgrounds as much as possible shall be at street level.

b. Facilities and Amenities

Areas required for subdivision facilities and amenities shall be judiciously allocated in accordance with the provisions herein specified.

c. Density

Density of subdivision projects shall conform with the residential densities set forth in the zoning ordinance of the city/municipality where project is located. Where there is a mixture of housing types within the subdivision (such as single-detached, row house, town houses, etc.), density shall include the total number of dwelling units in multi-storey structure plus the total number of lots intended for single and semi-detached houses.

2. Site Preservation

a. Slope

The finished grade shall have a desired slope to allow rain water to be channeled into street drains. Where cut and fill is necessary, an appropriate grade shall be attained to prevent any depression in the area.

Grading and ditching shall be executed in a manner that will prevent erosion or flooding of adjoining properties.

b. Preservation of Site Assets

Suitable trees with a caliper diameter of 200 millimetres or more, shrubs and desirable ground cover per Department of Environment and Natural Resources (DENR) rules shall be preserved. Where a good quality top soil exists in the site, it shall be banked and shall be preserved for finishing grades of yards, playgrounds, parks and garden area.

c. Ground Cover

Grass, shrubs, plants and other landscaping materials used for ground cover shall be of a variety appropriate for its intended use and location. They shall be planted so as to allow well-tended cover of the area.

3. Easements

Subdivision projects shall observe and conform to the following provisions on easements as may be required by:

- a. Chapter IV, Section 51 of The Water Code, on water bodies;
- b. National Power Corporation (NPC), on transmission lines;
- c. PHIVOLCS per Resolution No. 515, Series of 1992, on identified fault traces;
- d. Other public utility companies and other entities' right-of-way;
- e. National/local government units for projects abutting national roads (primary roads) where adequate easement shall be provided for, including loading and unloading areas;
- f. Other related laws.

4. Circulation

Depending on the classification of roads adjacent to the subdivision and the size of the project site, road network should result into a hierarchy of functions and should define and serve the subdivision as one integrated unit.

- a. Roads complemented with pathwalks within the subdivision must be so aligned to facilitate movement and to link the subdivision to the nearest major transportation route and/or adjacent property.

Whenever there are existing roads within the project site which shall be made part of the subdivision plan, these shall be improved in accordance with the standards set forth herein.

- b. Streets should conform to the contours of the land as far as practicable

Where a proposed project adjoins a developed property, roads within the said project shall be connected/integrated/aligned with existing ones.

Where a proposed project adjoins undeveloped property, a provision for future connection shall be mandatory.

- c. As far as practicable, streets shall be laid out at right angles to minimize critical intersections such as blind corners, skew junction, etc.
- d. Roads shall conform to sound engineering practices.

e. Subdivision projects shall comply to the pertinent requirements of Batas Pambansa No. 344, otherwise known as the Accessibility Law.

5. Installation of Street Names/Signs:

The developer shall bear the cost of installation of street names/signs coincident with the construction of streets.

C. Design Parameters

1. Land Allocation

For open market and medium cost subdivision projects with an area of one (1) hectare or more, the percentage (%) allocation of land shall be as follows:

- a. saleable area — maximum of 70% of the gross area
- b. non-saleable area — minimum of 30% of the gross area

The following non-saleable area shall be observed consistent with PD No. 1216:

b.1 Parks/Playgrounds

Allocation of area for parks and playgrounds shall be mandatory for projects one (1) hectare or more and shall be deemed non-buildable area. The same shall be strategically located within the subdivision project. Area allocated for parks and playgrounds shall in no case be less than 100 square meters.

The percentage requirement for parks/playgrounds shall be as follows:

Table 1. Parks and Playgrounds Allocation

DENSITY (No. of Lots/Dwelling Unit Per Hectare)	PARKS/PLAYGROUNDS Allocation in Percent of Gross Area (%)
20 and below	3.5
21 —25	4.0
26 —35	5.0
36 — 50	6.0
51 — 65	7.0
Above 65	9.0

b.2 Community Facilities

Mandatory provision of areas for community facilities, such as neighbourhood multi-purpose center both for open market and medium cost housing projects with area one (1) hectare and above. These areas are non-saleable. However, the developer may provide additional areas for community facilities such as schools and commercial/retail centers in excess of the mandatory requirement set forth in this rule which shall be deemed saleable. The use of the said area shall be indicated in the plan and shall be annotated in the title thereto. (Refer to Table 2)

**Table 2. Facilities According to the Number of Saleable Lots/
Dwelling Units for Subdivision Projects 1 hectare and Above**

No. of Saleable Lots and/or Dwelling Unit	Neighborhood Multi-Purpose Center*	Convenience Stores & Other Commercial Centers*	Elementary School**	High School**	Tricycle Terminals**
10 & below	-	-	-	-	-
11 – 99	-	-	-	-	-
100 – 499	x	-	-	-	-
500 – 999	x	-	-	-	-
1000 – 1499	x	-	-	-	-
1500 – 1999	x	x	x	-	x
2000 – 2499	x	x	x	x	x
2500 & Over	x	x	x	x	x

* Mandatory non-saleable

** Optional saleable but when provided in the plan the same shall be annotated in the title

b.3 Circulation System

b.3.1 Hierarchy of Roads

The circulation system for open market and medium cost housing projects shall have the following hierarchy of roads:

Table 3. Hierarchy of Roads

Project Size Range (Has.)	Open Market	Medium Cost
2.5 & below	major, minor, motor court, alley	major, minor, motor court, alley
Above 2.5 – 5	major, collector, minor, motor court, alley	-do-
Above 5 – 10	-do-	major, collector, minor, motor court, alley
Above 10 – 15	-do-	-do-
Above 15 – 30	-do-	-do-
Above 30	-do-	-do-

Minimum road right-of-way shall be in accordance with b.3.2 of this section.

In no case shall a major road be less than 10 meters when used as main access road and/or as future connection.

- a) Major Road -a street or road linking the site and serves as the main traffic artery within the project site and shall traverse the longer axis of the property.
- b) Collector Road -a street or a road that services pedestrian / vehicular traffic from minor roads leading to major roads.
- c) Minor Road -a road which main function is to provide direct access to lots and other activity centers.
- d) Motor Courts -shall have a right-of-way of not less than 6 meters in width with provision for sufficient space for vehicular turn around in the form of a cul-de-sac, loop, branch or "T", with a maximum length of 60 meters inclusive of terminal.
- e) Service Roads -roads which provide for the distribution of traffic among individual lots and activity centers.

f) Alley -a 2-meter wide walkway which shall be used to break a block and to serve pedestrians and for emergency purposes. It shall not be used as access to property.

b.3.2 Road Right-of-Way (ROW)

The corresponding right-of-way for hierarchy of roads shall be as follows:

Table 4. Road Right-of-Way

Project Size (Hectares)	Right – Of – Way (ROW) (Meters)					
	Open Market			Medium Cost		
	<u>Major</u>	<u>Collector</u>	<u>Minor</u>	<u>Major</u>	<u>Collector</u>	<u>Minor</u>
2.5 & below	10	-	8	10	-	8
Above 2.5 – 5	12	10	8	10	-	8
Above 5 – 10	12	10	8	12	10	8
Above 10 – 15	12	10	8	12	10	8
Above 15 – 30	15	12	10	12	10	8
Above 30	15	12	10	15	12	10
	<u>ROW</u>	<u>Carriageway</u>		<u>ROW</u>	<u>Carriageway</u>	
Motor Court	6	5		6	5	
Alley	2	2		2	2	

Note: a 6-m service road, both ends connecting to a minor road, shall be allowed for blocks not exceeding 60 meters.

a) Major roads shall maintain a uniform width of road right-of-way. Tapering of road width shall not be allowed where the road right-of-way is wider than the prescribed standard for the interconnecting road 2.5the proposed su2.5vision.

b) Interior Subdivision project must secure right-of-way to the nearest public road and the right-of-way shall be designated as interconnecting road with a minimum width of 10 meters. This fact shall be annotated on the title of said road lot and must be donated and deemed turned over to the LGU upon completion of the said interconnecting road. (See Figure 1)

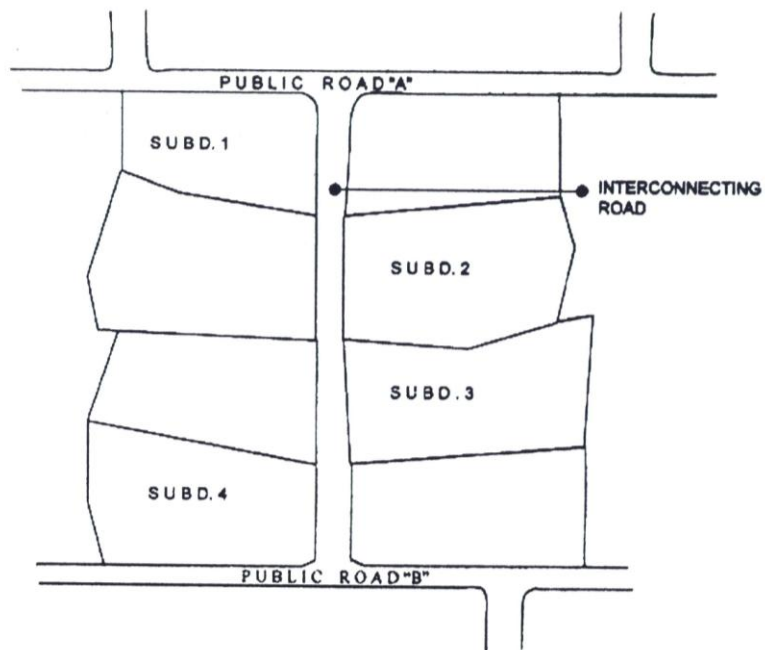


Figure 1. Interconnecting Road

- c) Subdivision projects abutting main public road must provide a setback of 3-meter deep by 5-meter in length at both sides of the subdivision entrance to accommodate loading and unloading of passengers (see Figure 2).

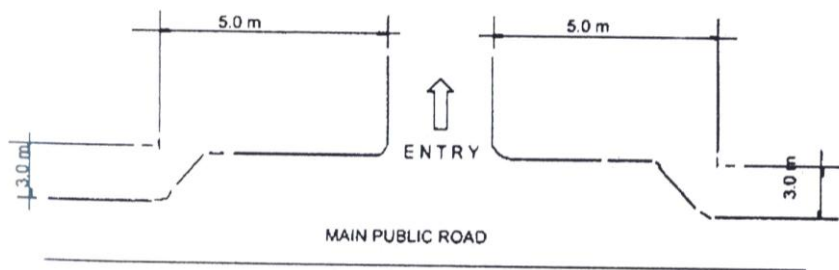


Figure 2. Setback Requirement Along Main Public Road

d) Subdivision projects shall have provision for future expansion where applicable, by designating the major roads, as prescribed in Sec. 1.C.b.3.2 as the interconnecting road right-of-way for both open market and medium cost housing projects.

b.3.3 Planting Strips

Planting strips shall be observed with the following road specifications:

Table 5. Width of Planting Strips and Sidewalks

Road Width (m)	Open Market		Medium Cost	
	Planting Strip (m.)	Sidewalk (m)	Planting Strip (m.)	Sidewalk (m)
15.00	1.30	1.20	1.30	1.20
12.00	0.80	1.20	0.80	1.20
10.00	0.80	1.20	0.80	1.20
8.00	0.40	0.60	0.40	0.60
6.00 (Service Road)	optional		optional	

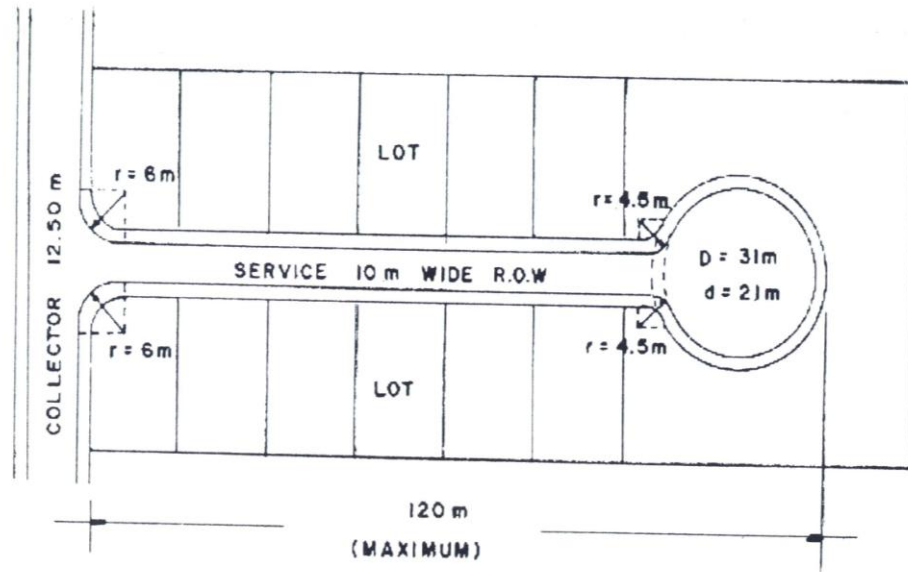
b.3.4 Road Pavement

All roads for both open market and medium cost housing projects shall be paved with either concrete or asphalt. Concrete pavement shall have a minimum thickness of 150 millimeters and a minimum compressive strength of 20.7 Mega Pascal (Mpa) while asphalt shall have a minimum thickness of 50 millimeters.

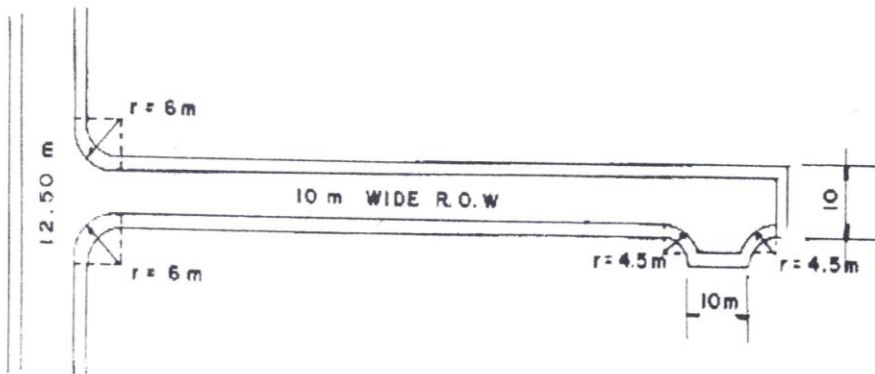
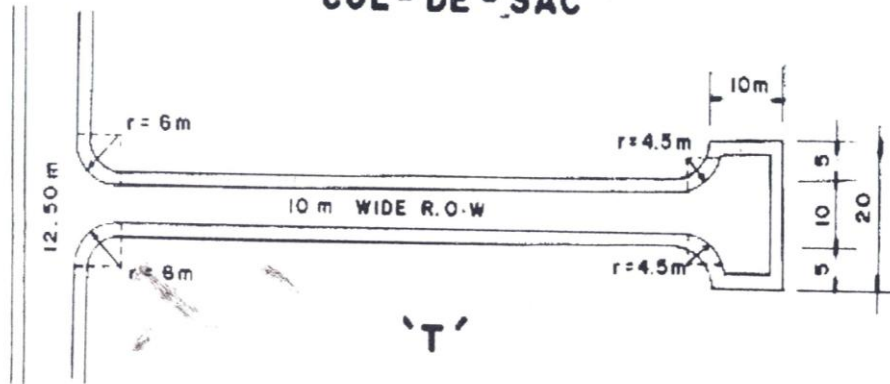
Sidewalk pavement shall have a minimum compressive strength of 17.2 Mega Pascal.

b.3.5 Road Intersection Roads should intersect at right angles as much as practicable. Multiple intersections along major roads shall be minimized. Distance between offset intersections should not be less than 20 meters from corner to corner. Intersections should occur on straight sections instead of on curved sections of road and on gentle grades with clear sight distance.

Road intersections shall be provided with adequate curb radii consistent with sound engineering principles. (see Figure 3)



CUL - DE - SAC



BRANCH

$r =$ CURB RADIUS

NOT TO SCALE

Figure 3 : Curb Radii Dimension

b.3.6 Road Grade/Slope

Crown of the roads shall have a slope of not less than 1.5 percent, while curbs and gutters shall not be less than 7 percent to 9 percent (see Figure 4).

Grades and vertical curbs shall conform to the design requirements of the Department of Public Works and Highways (DPWH).

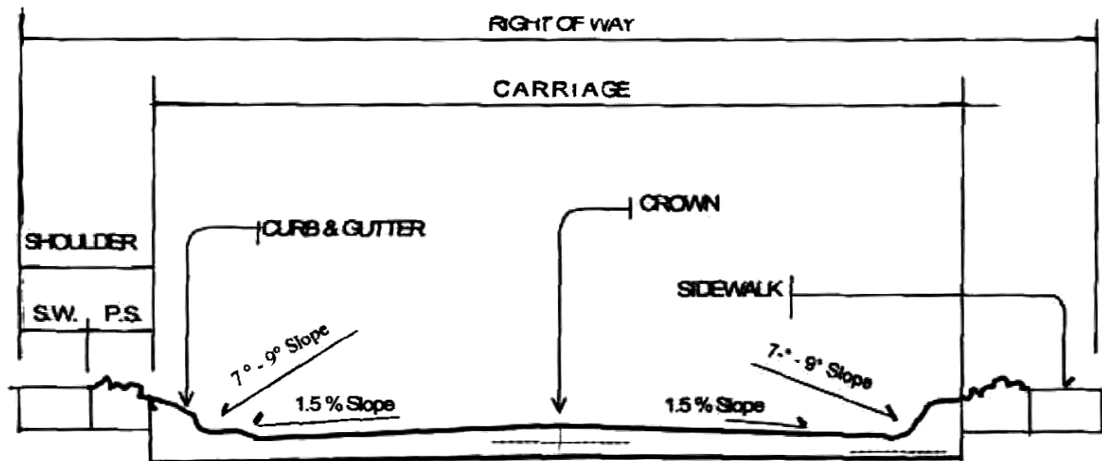


FIGURE 4. ROAD GRADE/SLOPE

2. Lot requirements

a. Lot Layout:

The following shall be considered when plotting the subdivision project:

- a. 1 Preservation of site assets and proper siting orientation of lots; blending with existing and proposed development in the vicinity; and
- a. 2 Application of workable design principles/parameters for a well planned environment.

To accommodate a wider range of clientele (in terms of income level and lifestyle), and to provide diversity in housing design in a subdivision project, the owner/developer is encouraged to allocate areas for various housing types such as single -detached, duplex/single attached and rowhouses.

- b. Minimum Lot Area The minimum lot area for various types of housing under open market and medium cost housing project shall be as follows:

Table 6. Minimum Lot Area

TYPES OF HOUSING	OPEN MARKET (Sqm.)	MEDIUM COST (Sqm.)
a. Single Detached	120	100
b. Duplex/Single Attached	96	80
c. Rowhouse	60	50

Saleable lots designated as duplex/single attached and/or rowhouse lots shall be provided with housing units.

Price of saleable lots intended for single-detached units shall not exceed 40 percent of the maximum selling price of house and lot packages.

c. Lot Design

- c.1 Saleable lots shall be designed such that they are not bisected by political boundaries, water courses, drainage ways and utility lines.
- c.2 A lot shall be served by an independent access road.
- c.3 Whenever possible, lot frontage elevation shall be at street level.
- c.4 Lot lines shall preferably be made perpendicular to street lines.
- c.5 Deep lots and irregularly shaped lots shall be avoided.
- c.6 Lots shall be planned with adequate width for side yards.
- c.7 Lots shall be protected against risks.
- c.8 Lots shall not be laid out if potential risks exist e.g. erosion, slides, flooding, fault lines, etc.

d. Lot Frontage

The minimum lot frontages for various types of housing under open market and medium cost housing projects shall be as follows:

Table 7. Minimum Lot Frontage

TYPES OF HOUSING/LOT	FRONTAGE (m.)
1. Single Detached	
a. Corner Lot	12
b. Regular Lot	10
c. Irregular Lot	6
d. Interior Lot	3
2. Duplex/Single Attached	8
3. Rowhouse	4

The number of rowhouses shall not exceed 20 units per block/cluster but in no case shall this be beyond 100 meters in length.

3. Length of Block

Maximum length of block shall be 400 meters, however, blocks exceeding 250 meters shall be provided with an alley approximately at mid-length.

4. Shelter Component

- a. Minimum floor area for open market housing shall be 42 square meters and 30 square meters for medium cost housing.
- b. Minimum level of completion -complete house for all types of dwelling units based on the submitted specifications.

Provision of firewall shall be in conformity with the Fire Code of the Philippines and mandatory for duplexes/single attached units and every unit for rowhouses (refer to Fig. 5).

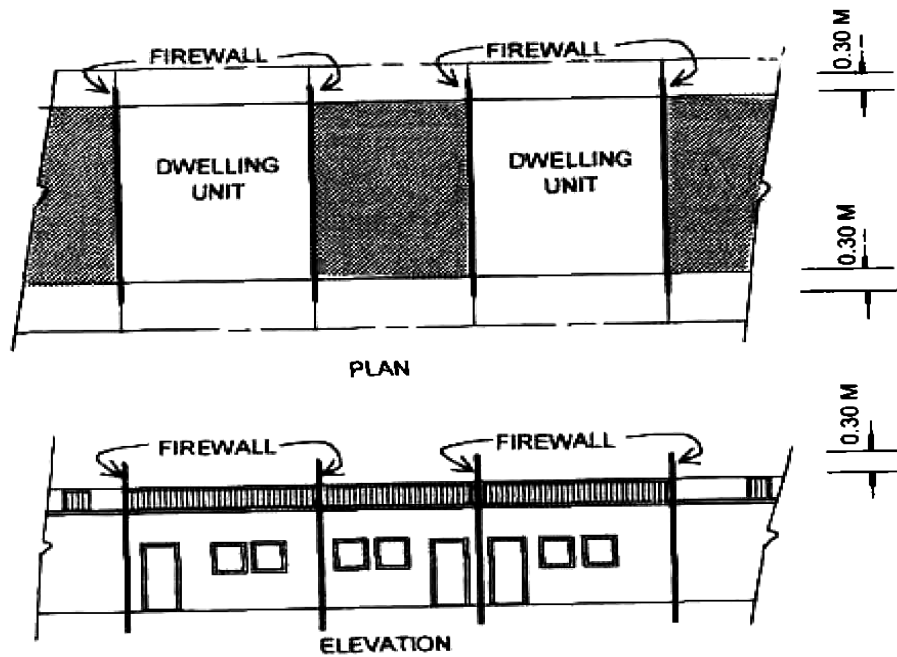


Figure 5. Firewall Requirement for Rowhouse

5. Yard/Setback

The minimum setback of dwelling units both for open market and medium cost housing projects shall conform to the National Building Code of the Philippines.

6. Water Supply System

a. Specific Rules:

The subdivision water supply shall be mandatory or obligatorily connected to an appropriate public water system or community system provided that the water supply is enough to meet the total daily requirements of the anticipated population.

When neither a public water system, nor an acceptable community system is available, a centralized water supply system shall be accepted, provided that:

- a.1 The technical consultant of the developer shall determine the location and discharge capacity of the water source(s) within the subdivision;

- a.2 The permit to drill well(s) or tap water lines from the appropriate government agencies shall be obtained;
- a.3 The water source shall be sufficient to meet the daily water requirements of every household in the subdivision;
- a.4 No hazards shall exist in the immediate vicinity of the water source that might reduce or pollute the supply;
- a.5 Water distribution shall be assured.

Accordingly, every water service entrance or connection shall be provided with a pressure-compensating, self-regulating, constant flow valve or fitting to ensure equitable distribution of water, water and power conservation, and long-term savings on operational costs of the water system.

- a.6 Each subdivision shall have at least an operational deepwell and pumpsets with sufficient capacity to provide Average Daily Demand (ADD) to all homeowners.
- b. Water Requirement -Every dwelling unit shall be served by an individual supply of water sufficient to meet the total hourly domestic needs of every household for any 8 hour period.

The Average Daily Demand (ADD) for both open market and medium cost housing projects is 150 liters per capita per day (LCPD) household connection. (Per Board Resolution No. 506, series of 1992)
- c. Fire Protection Demand -Provision for fire protection shall comply with the requirements of the National Fire Protection Code.
- d. Water Tank Capacity -20% ADD plus fire reserve.
- e. Pipes -Pipes shall conform to the standards required by Metropolitan Waterworks and Sewerage System (MWSS) and/or Local Water Utilities Administration (LWUA).

7. Electrical power supply

Mandatory individual household connection to primary and/or alternate sources of power.

Installation practices, materials and fixtures used shall be in accordance with the provisions of the Philippine Electrical Code and/or local utility company.

Provision of street lighting per pole is mandatory at 50-meter distance and every other pole if distance is less than 50 meters.

Electrical bills for streetlights shall be proportionately shouldered by the

users thereof prior to issuance of Certificate of Completion (COG) and turn-over of open space to LGU.

8. Sewage Disposal System

The sewage disposal system for open market and medium cost subdivision projects shall either be any of the following:

a. Connection to Community Sewer System

Connections shall be made to an approved public or community sewer system, subject to the requirements and provisions of the Sanitation Code of the Philippines and other applicable rules and regulations.

b. Septic Tanks

Where community sewer system is not available, sewage shall be disposed of and treated in individual septic tanks.

Construction of individual septic tanks shall conform to the design standards of Sanitation Code of the Philippines (PD 856) and National Plumbing Code of the Philippines (RA 1378).

9. Drainage System

The drainage system of the subdivision shall conform to the natural drainage pattern of the subdivision site, and shall drain into appropriate water bodies or public drainage system. In no case shall drainage outfalls drain into a private lot. Its layout shall conform to sound engineering design/ principles certified by a duly licensed civil/sanitary engineer. Drain lines shall be of durable materials and approved installation practices.

For both open market and medium cost subdivision projects, underground drainage system shall be properly engineered and environmentally sound and shall be provided with adequate Reinforced Concrete Pipes (RCP), catch basins manholes, inlets and cross drain for efficient maintenance. Minimum drainage pipes diameter shall be 30 centimeters.

10. Garbage Disposal System

The subdivision shall have a sanitary and efficient refuse collection and disposal system, whether independently or in conjunction with the municipal/city garbage collection and disposal services.

The Summarized Planning and Design Standards for Open Market and A Medium Cost Subdivision Projects is presented in Table 8.

**TABLE 8. Planning and Design Standards
For a Residential Subdivision Project
Under PD 957**

PARAMETERS	OPEN MARKET HOUSING	MEDIUM COST HOUSING
1. Project Location	Within suitable sites for housing and outside potential hazard prone and protection areas.	Within suitable sites for housing and outside potential hazard prone and protection areas.
2. Land Allocation for projects 1 hectare and above.		
a. Saleable area	a. 70% (maximum)	
b. Non-saleable area	b. 30% (minimum)	
b.1 Area allocated for parks and playgrounds for projects 1 ha. & above.	Mandatory allocation for parks and playgrounds per tabulation below:	
	Density (No. of Lots or Dwelling Unit Per Hectare)	Percentage of Gross Area Allocated for parks and playgrounds
	20 & below	3.5%
	21 – 25	4.0%
	26 – 35	5.0%
	36 – 50	6.0%
	51 – 65	7.0%
	Above 65	9.0%
	In no case shall an area allocated for parks and playgrounds be less than 100 sqm and the same shall be strategically located within the subdivision.	
b.2 Area allocated for community facilities	Mandatory provision of areas for community facilities such as neighborhood multi-purpose center for housing projects with area 1 hectare and above. These areas are non-saleable. However, the developer may provide areas for community facilities such as schools and commercial centers in excess of the mandatory requirement set forth in this rule which shall be deemed saleable. The use of the said area shall be indicated in the plan and annotated in the title thereto. (Refer to Table 1)	
b.3 Circulation System	Observe hierarchy of roads	

PARAMETERS	OPEN MARKET HOUSING	MEDIUM COST HOUSING
3. Minimum Lot Areas a. Single Detached b. Duplex/Single-Attached c. Rowhouse	120 sqm 96 sqm 60 sqm	100 sqm 80 sqm 50 sqm
<p>Saleable lots designated as duplex and/or rowhouse lots shall be provided with housing components.</p> <p>Price of saleable lots intended for single-detached units shall not exceed 40% of the maximum selling price of house and lot packages.</p>		
4. Minimum Lot Frontage 4.1 Single Detached a. corner lot b. regular lot c. irregular lot d. interior lot 4.2 Single Attached/ Duplex 4.3 Row house	12 m 10 m 6 m 3 m 8 m 4 m	
5. Length of Block	Maximum length of block is 400 meters, however, blocks exceeding 250 meters shall be provided with an alley approximately at mid-length.	
6. Roads Right of Way Project size range	Major road Collector Minor Road	Major Road Collector Minor Road
2.5 has. & below	10 m - 8 m	10 m - 8 m
Above 2.5 – 5 has.	12 m 10 m 8 m	10 m - 8 m
Above 5 - 10 has.	12 m 10 m 8 m	12 m 10 m 8 m
Above 10 - 15 has.	12 m 10 m 8 m	12 m 10 m 8 m
Above 15 - 30 has.	15 m 12 m 10 m	12 m 10 m 8 m
Above 30 has.	15 m 12 m 10 m	15 m 12 m 10 m
A 6.0 meter service road, both ends connecting to a minor road, shall be allowed for blocks not exceeding 60 meters.		

PARAMETERS	OPEN MARKET HOUSING		MEDIUM COST HOUSING	
	ROW	CARRIAGEWAY	ROW	CARRIAGEWAY
Motor Court Alley	6 2	5 2	6 2	5 2
	Alley is a 2-meter wide walkway which shall be used to break a block and to serve both pedestrians and for emergency purposes. It shall not be used as access to property.			
	<p>Right-of-Way (ROW) of major roads shall be increased as project size increases.</p> <p>Major roads shall maintain a uniform width of road right-of-way. Tapering of road width shall not be allowed, where the road right-of-way is wider than the prescribed standard for the interconnecting road of the proposed subdivision.</p> <p>NOTE:</p> <ol style="list-style-type: none"> 1. Interior subdivision project must secure right-of-way to the nearest public road and the right-of-way shall be designated as interconnecting road with a minimum width of 10 meters. This fact shall be annotated on the title of said road lot and must be donated and deemed turned over to the LGU upon completion of the said interconnecting road. (See Figure 1). 2. Subdivision projects abutting main public road must provide a setback of 3-meter deep by 5-meter in length at both sides of the subdivision entrance to accommodate loading and unloading of passengers. (See Figure 2) 3. Subdivision projects shall have provision for future expansion where applicable, by designating a minimum interconnecting road right-of-way of 10 meters. 			
8. Hierarchy of Roads per Project Size Range				
2.5 has. & below	major, minor, motor court, alley		major, minor, motor court, alley	
Above 2.5 - 5 has.	major, collector, minor, motor court, alley		- do -	
Above 5 - 10	- do -		major, collector, service road, minor, motor court, alley	
Above 10 - 15 has.	- do -		- do -	
Above 15 - 30 has.	- do -		- do -	
Above 30 has.	- do -		- do -	

PARAMETERS	OPEN MARKET HOUSING	MEDIUM COST HOUSING
9. Roads Specifications a. Planting Strip (PS)** Sidewalk (SW) ROW 15 m 12 m 10 m 8 m 6 m (Service Road)	PS 1.3 m 0.8 m 0.8 m 0.4 m optional	SW 1.2 m 1.2 m 1.2 m 0.6 m optional
b. Road Pavement Major Minor Motor Court Sidewalk Alley	Concrete/Asphalt Concrete/Asphalt Concrete/Asphalt Concrete/Asphalt Concrete/Asphalt	Concrete/Asphalt Concrete/Asphalt Concrete/Asphalt Concrete/Asphalt Concrete/Asphalt
	Concrete road pavement shall have a minimum thickness of 150 millimeters and a minimum compressive strength of 20.7 MPa while roads may either be concrete of same thickness and compressive strength or asphalt with minimum thickness of 50 millimeters. Sidewalk pavement shall have a minimum compressive strength of 17.2 MPa.	
10. Water Supply	Mandatory connection to appropriate public water system; centralized water supply system. Each subdivision shall have at least an operational deepwell and pump sets with sufficient capacity to provide Average Daily Demand (ADD) to all homeowners.	
a. Minimum Water Supply Requirement	150 liters per capita per day for household connection	
b. Fire Protection Demand	Provision for fire protection shall comply with the requirements of the Fire Code of the Philippines.	

PARAMETERS	OPEN MARKET HOUSING	MEDIUM COST HOUSING
11. Electrical Power Supply	<p>Mandatory individual household connection to primary and alternate sources of power if services are available in the locality.</p> <p>Mandatory provision of street lighting per pole if 50-meter in distance; at every other pole, if less than 50- meter in distance.</p> <p>Electric bills shall be proportionately shouldered by the users thereof, prior to issuance of COC and turn over of open space to LGU.</p> <p>Installation practices, materials and fixtures used shall be in accordance with the provision of the Philippine Electrical Code and local utility company.</p>	
12. Drainage System	<p style="text-align: center;">Underground</p> <p>The drainage system must conform to the natural drainage pattern of the subdivision site, and shall drain into appropriate water bodies, public drainage system or natural outfalls.</p> <p>For both open market and medium cost subdivision projects, underground drainage system shall be properly engineered and environmentally sound, and shall be provided with adequate Reinforced Concrete Pipes (RCP), catch-basins, manholes/inlets and cross drain for efficient maintenance. Minimum drainage pipe diameter shall be 30 centimeters.</p>	
13. Sewage Disposal System	<p>a. Septic Tank</p> <p>Individual septic tank shall conform to the standards and design of the Sanitation Code of the Philippines (PD 856) and its Implementing Rules and Regulations.</p> <hr/> <p>b. Connection to Community Sewer System</p> <p>Whenever applicable, connection shall be made to an approved public or community sewer system subject to the requirements and provisions of the Sanitation code of the Philippines and other applicable rules and regulations.</p>	
14. Garbage Disposal System	<p>Provide sanitary and efficient refuse collection and disposal system whether independently or in conjunction with the local government garbage collection and disposal services.</p>	

PARAMETERS	OPEN MARKET HOUSING	MEDIUM COST HOUSING
15. Shelter Component		
a. Minimum Floor Area		
a.1 Single Detached	42 sqm	30 sqm
a.2 Duplex	42 sqm	30 sqm
a.3 Row house	42 sqm	30 sqm
	In no case shall the number of row houses exceed 20 units per block/cluster and/or be beyond 100 meters in length.	
b. Minimum Level of Completion		
b.1 Single Detached	complete house (Based on the submitted specifications)	
b.2 Duplex/Semi-Attached	same	
b.3 Row house	same	
	Mandatory provision of firewall for duplexes/semi-attached units and for every unit of row houses (See Figure 5)	
16. Setbacks/Easements		
a. Front	Shall conform to the provisions of the National Building Code of the Philippines	
b. Side		
c. Rear		
d. Abutments		

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Section 2. Design Standards and Guidelines for Residential Condominium Projects

A. Site Criteria

Conformity to Comprehensive Land Use Plan/Zoning Ordinance/National Building Code

1. Residential condominium projects shall preferably be located in areas zoned as or appropriate for residential uses.
2. Condominium projects shall likewise conform to the minimum building requirements, lot occupancy, open spaces, parking and other requirements of the National Building Code of the Philippines and its Implementing Rules and Regulations.

B. Planning Consideration

1. Area Planning

- a. Supplementary and supportive activities to residential use shall be allowed provided that the privacy, order, health and safety of the residents are not jeopardized nor threatened and that the land use plan and/or zoning ordinance of the locality can accommodate such mixture of land uses.
- b. Open spaces shall be provided within the project site pursuant to the National Building Code of the Philippines and its Implementing Rules and Regulations. These shall include courts, yards, setbacks, light wells, uncovered driveways, access roads, parking spaces, buffer strips, parks and playgrounds. Except as may hereafter be otherwise provided these spaces shall be open from the ground to the sky. The open space shall also be allocated for basic utilities and community facilities or common areas.
- c. Easements for utilities, such as drainage system, water supply, power lines and communication lines, shall be integrated with land circulation system.
- d. Building orientation on lot shall take into account proper ventilation, sunlight and land characteristics.
- e. No development shall be allowed within the 5-meter mandatory easement on both sides of the Marikina Valley Fault Trace and such other fault traces as may be identified by PHIVOLCS. (Approved per Board Res. No. 515, Series of 1992)

2. Site Preservation/Alteration

a. Slope

The finished grade shall have a desired slope to allow rainwater to be channeled into street drains. Where cut and fill is necessary an appropriate grade shall be attained to prevent any depression in the area.

Grading and ditching shall be executed in a manner that will prevent erosion or flooding of adjoining properties.

b. Preservation of Site Assets

Suitable trees with a caliper diameter of 200 millimeters or more, as well as shrubs and desirable ground cover shall be preserved in accordance with the implementing rules and regulations of DENR. Where good quality top soil exists in the site, it shall be banked and shall be preserved for finishing grades of yards, playgrounds, parks and garden area.

c. Ground Cover

Grass, shrubs, plants and other landscaping materials used for ground cover shall be of variety appropriate for its intended use and location. They shall be so planted as to allow complete and permanent cover of the area.

C. Design parameters

1. Space location

Space allocations shall provide areas for living, dining, kitchen, sleeping, toilet and bath, laundry/ drying area and storage -the minimum sizes of which shall be in accordance with the requirements of the National Building Code of the Philippines and its Implementing Rules and Regulations/referral codes.

a. Parks/Playground and/or Other Recreational Areas

a.1 Parks/Playground (exclusive of easements, access roads, driveways, parking space) shall be required for:

a.1.1 Projects with a gross saleable area of 1.000 square meters: Or

a.1.2 Projects with ten (10) or more condominium units. Except when the condominium is part of a subdivision project or a park/playground not more than or 800 meters away and in reaching it, the pedestrian will not be unduly exposed to hazard.

- a.2 The minimum area for a single park/playground shall be 50 square meters. Increments of 3.00 square meters for every additional family dwelling type in excess of 10 units shall be added.
- a.3 Parks/playground or other recreational facilities may not be required if the condominium is located not more than or 800 meters from a publicly accessible park/playground/or other recreational facilities.
- a.4 Parks/playground shall be properly landscaped to accommodate both active and passive activities.
- a.5 Parks/playground may be accommodated in the yard/s provided such yards are adequate and usable as park.
- a.6 Other facilities (optional) such as tennis courts, swimming pool, etc. may be integrated with the park/playground.
- b. Parking Space Requirement
 - b.1 For Residential Condominium Units
 - b.1.1 The parking slot requirement for residential condominium project shall be in accordance with the provisions of the National Building Code of the Philippines.
 - b.1.2 Off-site parking may be allowed in addition to the on-site parking provided that the designated parking area is part of the project and provided further that the required distance shall be in accordance with the National Building Code of the Philippines.
 - b.1.3 Compliance with additional **parking** spaces as required by local ordinances shall be mandatory.
 - b.2 For Commercial Condominium Units
 - b.2.1 The minimum parking slot requirement shall be in accordance with the provisions of the National Building Code of the Philippines.
 - b.2.2 Off-site parking may be allowed in addition to the on-site parking provided that the designated parking area is part of the project or the project is within the commercial subdivision where common parking area is part of the approved subdivision plan and provided further that parking arrangements are explicitly indicated in the contract of sale of property to be developed. Off-site parking shall not be located 200 meters away from condominium project.

c. Access Roads

Roads shall serve every building, parking space, park/playground and service points (e.g. garbage collection points). Minimum roads or right-of-way shall be 8 meters, 6 meters thereof shall be the carriageway and the remaining 2 meters shall be developed as sidewalk/planting strip.

Path walks shall be provided for pedestrian circulation with a minimum width of 1.2 meters.

Construction of roads, sidewalk and path walks, shall be in accordance with the standards of residential subdivision. Space for turnaround at dead end shall be provided.

Direct vehicular access to the property shall be provided by public street or alley.

An independent means of access shall be provided to each dwelling, or group of dwellings in a single plot. Without trespassing adjoining properties. Utilities and service facilities must be independent for each dwelling unit.

An independent means of access to each living unit shall be provided without passing through any yard of a living unit or any other yard.

c.1 Hierarchy of Roads

For horizontal condominium projects, the hierarchy of roads shall be the same as the minimum design standard requirements for subdivision projects.

c.2 Pavement

All roads (major, minor, motorcourt) for both residential and commercial condominium projects shall be paved with concrete/asphalt.

d. Basic Facilities and Services

d.1 Service Area (Laundry/Drying Area)

Adequate laundry and drying areas shall be provided.

Where such services areas are held in common, they shall have suitable outdoor locations, fenced or screened and kept away from living rooms, entrance or front yards.

d.2 Water supply, power, sewerage and drainage utilities shall conform to the requirements of a subdivision.

d.2.1 Reservoir/Water Tank

For multi-storey buildings.

If the height of the building requires water pressure in excess of that in the main water line, a water tank shall be provided.

Tank shall also be required if the peak drawn should reduce the pressure on the highest usable floor to less than 0.06 Mpa the minimum pressure required for satisfactory operation of fixtures, particularly those with flush valves.

d.2.2 Capacity -20% Average Daily Demand plus fire reserve

d.3 Mechanical Equipment and Service Areas

d.3.1 Provision of elevators shall conform to the plans and specifications of the duly licensed architect/engineer who shall determine the requirement for elevators including the number of cars, capacity, safety features and standards, elevator type, speed and location in relation to the over-all design and use of the building; the design architect/engineer shall certify under oath that all the components thereof are in accordance with the National Building Code of the Philippines, the Accessibility Law and national industry standards and other pertinent laws.

d.3.2 Compliance to the provisions of the Fire Code of the Philippines, shall be mandatory

d.4 Refuse Collection/Disposal

Centralized garbage depository area and efficient refuse collection and disposal services shall be provided whether independently or in conjunction with the city or municipality garbage collection and disposal services. It shall conform to the provisions of the Sanitation Code of the Philippines and its Implementing Rules and Regulations/pertinent referral codes.

2. Floor Area Requirements

a. Single-Occupancy Unit

Single occupancy units shall have a minimum floor area of 18 square meters, however, a net floor area of 12 square meters may be allowed provided that:

a.1 These are intended for students/employees/workers and provided further that the condominium project to which these will be integrated is within highly urbanized areas.

a.2 The same shall be provided with common basic facilities such as laundry/drying area and support amenities such as visitor's lounge and dining area.

a.3 Said facilities/support amenities including all other measures that will ensure compliance with the intended use of the unit shall be explicitly indicated in the master deed/ contract to sell.

b. Family Dwelling Unit

The minimum floor area of family condominium units shall be 36 square meters and 22 square meters for open market and medium cost condominium project respectively.

Section 3. Conversion of Existing Structures to Condominium Projects.

Existing structures may be converted into condominium projects upon proper application there for with the Board and compliance with the requirements of condominium laws and these rules and standards.

Section 4. Variances

These design standards and requirements may be modified or varied by the Board in cases of large scale government and private residential subdivision or condominium projects, housing in areas for priority development or urban land reform zones, resettlement or social housing projects for low income groups, or housing projects financed by any government financing institution, or in cases where strict observance hereof will cause extreme hardship to the subdivision or condominium owner/developer.

1. The location is unique and different from the adjacent locality, and because of its uniqueness, the owners cannot obtain a reasonable return on the residential subdivision/condominium projects;
2. The hardship is not self-created;
3. The proposed variance is due to existing permanent structures (concrete/steel) and is necessary to permit a reasonable use of the residential subdivision/condominium;
4. The variance will not alter the essential character of the location where the residential subdivision for which the variance is sought, is located, and will not substantially or permanently affect the use of the other residential subdivision/condominium in the same locality; particularly those within a 1 kilometerradius thereof;

5. The variance will not give rise to unauthorized reclassification of the approved residential subdivision/condominium plan (i.e. whether partial or full alteration of the plan), and will not adversely affect the public health, safety or general welfare of the community. (Per Commission Proper Resolution No. R-53, S. 1982)

RULE II APPROVAL OF SUBDIVISION PLAN

Section 5. Application for Approval of Subdivision Development Plan

Every registered owner or developer of a parcel of land who wishes to convert the same into a subdivision project shall apply with the Board or the local government unit (LGU) concerned for the approval of the subdivision development plan by filing the following:

A. For Optional Application for Preliminary Subdivision Development Plan

1. At least 2 sets of Site Development Plan (Schematic Plan) at a scale ranging from 1:200 to 1:2,000 showing the proposed layout of streets, lots, parks and playgrounds and other features in relation to existing conditions in the area **prepared, signed and sealed by any licensed and registered architect, environmental planner, civil engineer, or geodetic engineer. (Amended per Board Res. No. 794, Series of 2006)**
2. One (1) set of the following documents duly signed and sealed by a licensed geodetic engineer:
 - a. Vicinity map indicating the adjoining land uses, access, as well as existing facilities and utilities at least within 500 meters from the property boundaries of the project, drawn to any convenient scale.
 - b. Topographic Plan to include the following:
 - (1) Boundary Lines: bearings, distances tie point or reference point, geographic coordinates of the tie point or Bureau of Lands Locational Monument (BLLM);
 - (2) Streets, easements, width and elevation of road right-of-way within the project and adjacent subdivisions/areas;
 - (3) Utilities within and adjacent to the proposed subdivision project; location, sizes and invert elevations of sanitary and storm or combined sewers; location of gas lines, fire hydrants, electric and telephone poles and street lights, if any. If water mains and sewers are not within or adjacent to the subdivision, indicate the direction and distance to and size of nearest one, showing invert elevations of sewers, if applicable.

- (4) Ground elevation of the subdivision: for ground that slopes less than 2%, indicate spot elevations at all breaks in grade, along all drainage channels and at selected points not more than 25 meters apart in all directions: for ground that slopes more than 2%, either indicate contours with an interval of not more than 0.5 meter if necessary due to irregular land or need for more detailed preparation of plans and construction drawings.
- (5) Water courses, marshes, rock and wooded areas, presence of preservable trees in caliper diameter of 200 millimeters, houses, barns, shacks, and other significant features.
- (6) Proposed public improvements: highways or other major improvements planned by public authorities for future construction within/adjacent to the subdivision.

c. Survey Plan of the lot(s) as described in TCT(s).

3. At least 2 copies of Certified True Copy of Title(s) and Current Tax Receipt
4. Right to use or deed of sale of right-of-way for access road and other utilities when applicable, subject to just compensation for private land.

Approval of the preliminary subdivision development plan will be valid only for a period of 180 days from date of approval.

B. For Application for Subdivision Development Permit

1. All requirements for application for preliminary subdivision development plan as specified in Sec.5.A of this Rule.
2. Subdivision Development Plan consisting of the site development plan at any of the following scales: 1:200; 1:1,000; or any scale not exceeding 1:2,000; showing all proposals including the following:
 - a. Roads, easements or right-of-way and roadway width, alignment, gradient, and similar data for alleys, if any.
 - b. Lot numbers, lines and areas and block numbers.
 - c. Site data such as number of residential and saleable lots, typical lot size, parks and playgrounds and open spaces.

The subdivision development plan shall be **prepared, signed and sealed by any licensed and registered architect, environment planner, civil engineer or geodetic engineer. (Amended per Board Res. No. 794, Series of 2006)**

Civil and Sanitary Works Design

Engineering plans/construction drawings based on applicable engineering code

and design criteria to include the following:

- a. At least 2 copies of road (geometric and structural) design/plan duly signed and sealed by a licensed civil engineer.
 - (1) Profile derived from existing topographic map, showing the vertical control, designed grade, curve elements and all information needed for construction.
 - (2) Typical roadway sections showing relative dimensions of pavement, sub-base and base preparation, curbs and gutters, sidewalks, shoulders benching and others.
 - (3) Details of miscellaneous structures such as curb and gutter (barrier, mountable and drop), slope protection wall, rip rapping and retaining wall.
 - b. At least 2 copies of storm drainage and sanitary sewer system duly signed and sealed by a licensed sanitary engineer or civil engineer.
 - (1) Profile showing the hydraulic gradients and properties of sanitary and storm drainage lines including structures in relation with the road grade line.
 - (2) Details of sanitary and storm drainage lines and miscellaneous structures such as various types of manholes, catch basins, inlets (curb, gutter, and drop), culverts and channel linings.
 - c. At least 2 copies of site grading plan with the finished contour lines superimposed on the existing ground the limits of earthwork embankment slopes, cut slopes, surface drainage, drainage outfalls and others, duly signed and sealed by a licensed civil engineer.
3. At least 2 copies of water system layout and details duly signed and sealed by a licensed sanitary engineer or civil engineer. Should a pump motor have a horsepower (HP) rating of 50 HP or more, its pump rating and specifications shall be signed and sealed by a professional mechanical engineer.
 4. Certified true copy of Tax Declaration covering the property (ies) subject of the application for the year immediately preceding.
 5. Certified true copy of Environmental Compliance Certificate (ECC) or Certificate of Non-coverage (CNC) duly issued by the DENR, whichever is applicable.
 6. Zoning Certificate from HLURB Regional Office.
 7. Certified true copy of DAR conversion order.
 8. At least 2 copies of project description for projects having an area of 1 hectare and above to include the following:

- a. Project profile indicating the cost of raw land and its development (total project cost), amortization schedule, sources of financing, cash flow, architectural plan, if any, and work program;
 - b. Audited financial statement for the last 3 preceding years;
 - c. Income tax return for the last 3 preceding years;
 - d. Certificate of Registration from Securities and Exchange Commission (SEC);
 - e. Articles of incorporation or partnership;
 - f. Corporation by-laws and all implementing amendments; and
 - g. For new corporations (3 years and below) statement of capitalization and sources of income and cash flow to support work program.
10. Plans, specifications, bills of materials and cost estimates duly signed and sealed by the appropriate licensed professionals.
 11. Application for permit to drill from the National Water Resources Board (NWRB).
 12. Traffic impact assessment (TIA) for subdivision projects 30 hectares and above.
 13. **Copy of the special/temporary permit from the Professional Regulation Commission (PRC) and of the separate permit from the Department of Labor and Employment (DOLE) for foreign architects who signed on plans required under the Implementing Rules and Regulations of PD 957. (per Board Res. No. 839, series of 2009)**
 14. List of names of duly licensed professionals who signed the plans and other similar documents in connection with application filed indicating the following information:
 - a. Surname;
 - b. First name;
 - c. Middle name;
 - d. Maiden name, in case of married women professional;
 - e. Professional license number, date of issue and expiration of its validity
 - f. Professional tax receipt and date of issue
 - g. Taxpayer's Identification Number (TIN)

If the establishment of the subdivision project is physically feasible and does not run counter to the approved zoning and land use plan of the city or municipality and the subdivision plan complies with these Rules, the same shall be approved and a development permit shall be issued upon payment of the prescribed processing fee.

A development permit shall only be valid for a period of 3 years from date of issuance if no physical development is introduced.

If project has been issued a development permit, a locational clearance is deemed incorporated therein.

The owner or developer shall cause the necessary surveys of the project and prepare the survey returns with technical description and computations duly signed and sealed by a licensed geodetic engineer to be submitted together and in accordance with the approved subdivision plan, to the Land Management Sector (LMS) for verification and approval; pursuant to Section 50 of PD 1529 (Property Registration Decree) and sections 4 & 5 of PD 957 and subject to the provisions of RA 8560 and its implementing rules and regulations.

RULE III APPROVAL OF CONDOMINIUM PLAN

Section 6. Application for Approval of Condominium Plan

Any registered owner or developer of a parcel of land who wishes to develop the same into a condominium project shall apply with the Board by filing the following:

- A. At least 2 sets of Condominium Plan at any of the following scales: 1:200; 1:400; or any scale not exceeding 1:400 duly signed and sealed by a licensed architect:
 1. Site development plan to include parking and parks and playground layout, if applicable.
 2. Floor plan(s)
 3. Sections and elevations
- B. At least 2 copies of vicinity map indicating the adjoining land uses, access, as well as existing facilities and utilities at least within 500 meters from the property boundaries of the project, drawn to scale and duly signed and sealed by a licensed geodetic engineer.
- C. Building specifications and estimated cost.
- D. Zoning Certificate from HLURB Regional Office
- E. Certified true copy of DAR conversion order.

- F. Certified true copy of Environmental Clearance Certificate (ECC) or Certificate of Non-coverage (CNC) duly issued by the DENR, whichever is applicable.
- G. Certified true copy of title(s) and current tax receipt.
- H. Right to use or deed of sale of right-of-way for access road and other utilities when applicable.
- I. One (1) copy of project study to include the following:
1. Project profile indicating among others, the development cost, total project cost, amortization schedules, sources of financing, marketability, cash flow, architectural building plans and work program/project time table;
 2. Audited financial statement for the last 3 preceding years;
 3. Income tax return for the last 3 preceding years;
 4. Certificate of registration from Securities and Exchange Commission (SEC);
 5. Articles of incorporation or partnership;
 6. Corporation by-laws and all implementing amendments, and
 7. For new corporations (3 years and below) statement of capitalization and sources of income and cash flow to support work program.
- J. Permit to drill from NWRB or certificate of coverage from concerned local franchise holder.
- K. Copy of the special/temporary permit from the Professional Regulation Commission (PRC) and of the separate permit from the Department of Labor and Employment (DOLE) for foreign architects who signed on plans required under the Implementing Rules and Regulations of PD 957. (per Board Res. No. 839, series of 2009)**
- L. List of names of duly licensed professionals who signed the plans and other similar documents in connection with application filed indicating the following information;
1. Surname
 2. First name
 3. Middle name
 4. Maiden name, in case of married women professional;
 5. Professional licensed number, date of issue and expiration of its validity; and
 6. Professional tax receipt and date of issue.

7. Taxpayer's Identification Number (TIN)

If the establishment of the condominium project is physically feasible and does not run counter to the approved Comprehensive Land Use Plan and Zoning Ordinance of the city or municipality and the plan complies with these Rules, the condominium plan shall be approved and a development permit shall be issued upon payment of the prescribed processing fee.

A development permit shall only be valid for a period of 3 years from date of issuance if no physical development is introduced.

If project has been issued a development permit, a locational clearance is deemed incorporated therein.

The owner or developer shall submit the condominium plan in accordance with the requirements of the National Building Code to the building official of the city or municipality where the property lies and the same shall be acted upon subject to the conditions and in accordance with the procedure prescribed in Section 4 of the Condominium Act (R.A. No. 4726).

RULE IV REGISTRATION AND LICENSING OF SUBDIVISION AND CONDOMINIUM PROJECTS

Section 7. Application for Registration

A. Common Requirements

The owner or the real estate dealer interested in the sale of lots or units in a subdivision project or condominium project, respectively, shall register the project with the Board by filing the following:

1. Sworn Registration Statement using either:
 - a. HLURB Form 001 for Corporation; or
 - b. HLURB Form 003 for Single Proprietorship
2. Certified True Copy of Transfer Certificate of Title (TCT) or Original Certificate Of Title (OCT) duly stamped with original marking "**CERTIFIED TRUE COPY**" by the proper Register of Deeds and bearing its seal or security marker.
 - a. When a project covers more than 20 individual titles without the required marks described above, the following shall be required:
 - a.1 Photocopy of TCTs
 - a.2 Certification from the register of deeds concerned with its seal or security mark giving the following information:
 - a.2.1 TCT or OCT numbers;

- a.2.2 Name of all registered owner(s) and their sharing, if any;
 - a.2.3 Area covered by each title;
 - a.2.4 Number of OCT or TCT from which the title is derived;
 - a.2.5 Statement of all uncanceled liens and encumbrances, if any;
 - a.2.6 Lot and block numbers as well as PSD/PSU/PCS number, etc.
- b. When certified copy of the TCT was issued more than one month prior to the application for Certificate of Registration (CR), affidavit of the owner that the property is free from liens and encumbrances. When the applicant is not the owner, deed from the registered owner showing clearly the authority of the applicant to the property, e.g., its development and sale of individual lots or units; to sign and receive documents; and, other relevant authority. In case the subdivision/condominium project or portion thereof is mortgaged, affidavit of undertaking to submit title; certification from the mortgagee regarding outstanding balance of loan and amortization schedule; mortgage of contract; and, affidavit of undertaking of mortgagor
3. Duly audited balance sheet (certified copy of the original) issued and signed by the authorized official of the applicant and under the latter's authority.
- a. When individual persons are involved and no balance sheet can be submitted, income tax returns for the preceding year duly received by BIR office and tax receipts evidencing payment.
 - b. When applicant is a new corporation, partnership, association or single proprietorship, i.e., no financial statement or income tax return has been prepared yet, sworn statement declaring.
 - b. 1 other assets or sources of funds and other resources;
 - b.2 The nature of control or ownership over such assets, funds or resources;
 - b.3 Commitment to the effect that, if necessary, the same shall be used to complete the project.
4. Articles of Incorporation (or of Partnership or Association), amendments thereof and existing by-laws (or its equivalent) clearly indicating the authority of the applicant to engage in real estate trade particularly in the development and selling of lots or units. When an applicant deviates from the intended line of business stipulated in its articles of incorporation (or partnership or association), authorization from the Securities and Exchange Commission (SEC) and/or the appropriate government agency to engage in the development and selling of the subject project.
5. A copy of any circular, prospectus, brochure, advertisement, or communication used/to be used for public offering of subject project and for circulation upon approval by the Board.

6. Sample copy of Contract to Sell to be used in the public offering of lots, units or lots and units. When amendments shall be effected on the form contract submitted for notification/approval by HLURB, pro-forma affidavit signifying willingness to change project name.
7. Certified true copy of Environmental Compliance Certificate (ECC)/Certificate of Non-coverage (CNC), whichever is* applicable, duly issued by the Department of Environmental and Natural Resources (DENR)
8. Zoning Certificate from HLURB Regional Office
9. Certified true copy of DAR conversion order.

(In cases where the property involved is located in an area already classified as residential, commercial, industrial or other similar development purposes as provided in CLUPs approved pursuant to EO 72, Series of 1993, a DAR Conversion Order shall no longer be required as a precondition for issuance of Certificate of Registration and License to Sell). (Amended per Board Res. No. 748, Series of 2003)

10. Electrical plan and specifications duly signed and sealed by a licensed professional electrical engineer and duly approved by the local franchise holder.
11. Permit to operate a deepwell and subsequent submission of confirmed water resistivity test from the National Water Resources Board (NWRB). Water potability test results from concerned government agencies/Maynilad.

B. Additional Requirements

1. For Condominium Projects
 - a. Master Deeds with Declaration of Registration and Declaration of Restrictions evidenced by the proper annotation thereof in the title(s) of the property and the certified true copy of such title(s) from the Register of Deeds.
 - b. Building Permit
2. For Subdivision Projects:
 - a. 2 copies of verified survey returns with label for all non-saleable areas including but not limited to parks and playgrounds, community facilities and roads and easements.
 - b. Copy of the following documents in case the development permit was issued by the Local Government Unit (LGU) pursuant to the 1991 Local Government Code and related issuances:

- b.1 Sangguniang Resolution/Ordinance granting of development permit/ subdivision development plan containing the following information:
 - b.1.1 full name of the grantee or permittee and his address;
 - b.1.2 complete project name and its location;
 - b.1.3 date of the resolution or ordinance;
 - b.1.4 project area;
 - b.1.5 full listing of title(s) covering the project;
 - b.1.6 legal basis of the approval (PD 957, EO 648 and other related laws);

- b.2 Certified true copy of resolution conferring authority to the mayor or other local government official to issue development permit in cases where the same was not granted by the Sangguniang Pangbayan/Panlungsod.

Evidence of approval of the subdivision scheme by the local government official must be any original copy or one certified as true copy thereof by the authorized local government official, indicating clearly his full name and position and the date of approval. It must contain the same data as described above. Most important of all, it must bear an indication of Sanggunian approval such as but not limited to words like "APPROVED BY AUTHORITY OF THE SANGGUNIAN" or others of similar import, it being understood that the Sanggunian has properly issued such authority.

- b.3 Proof of compliance to Sec. 18 of RA 7279 in any of the following manner:
 - b.3.1 Development permit of socialized housing projects within the main subdivision.
 - b.3.2 License to sell of socialized housing project offered as compliance if location of compliance is not within the main subdivision project.
 - b.3.3 Joint venture agreement with LGU or other housing agencies.
 - b.3.4 Certified true copy of bond issued by the LGU where the main project is located or by any of the housing agencies.

- b.4 one (1) set of subdivision development plan.

c. Project study

d. Copy of brochures and other forms of advertisements.

Section 8. Application for License to Sell

The owner or the real estate dealer interested in the sale of lots or units in a subdivision or condominium project shall apply with the Board for a License to Sell by submitting the following:

- A. Program of development (bar chart with S-curve, Gantt chart/PERT-CPM, etc.) signed and sealed by licensed engineer or architect indicating work activities, duration and costing.
- B. Affidavit of undertaking to perform the following:
 - 1. Segregation of the individual titles for all lots or units within the project;
 - 2. Submission of proof that titles to the saleable lots or units have been issued, which proof may include a certification from concerned register of deeds indicating the lots/blocks or units or data similar to those required under the requirement for Certificate of Registration only when required by the Board;
 - 3. Submission of a Certified True Copy of title of the common areas/open space, which title shall expressly indicate the kind of common use approved therefor, on or before a definite date (to be specified by applicant subject to approval by the Board).
- C. Duly accomplished and notarized fact sheet
- D. Proof showing the required minimum level of development before the issuance of license to sell: (Per Board Res. No. 830-A, Series of 2009)**
 - a. For subdivision projects – land clearing and grubbing, road tracing and entrance gate if included in the brochure or advertisement.**
 - b. For condominium projects – excavation per approved plan/excavation permit.**

Section 9. Notice of Publication (Amended per Board Res. No. 763, Series of 2004)

Upon evaluation of the completeness and veracity of the documents submitted, the Board shall cause the publication, at the expense of the applicant, a notice of pending application for Certificate of Registration in **two (2) newspapers of general circulation, one published in English and another in Pilipino, once a week for two**

(2) consecutive weeks reciting that a registration statement for the sale of subdivision lots and condominium units has been filed with the Board; and that the aforesaid application as well as the papers attached thereto, are open to inspection during the business hours by interested parties. In addition, a **3' x 6'** billboard notice of the project shall be posted on the project site until the issuance of the license to sell.

As used herein, an interval of seven (7) calendar days between the two (2) publications shall be strictly observed.

Failure to publish the notice of filing of registration statement within two (2) weeks from receipt of notice to publish issued by the Board, the owner/developer shall be required to re-file the application for Certificate of Registration.

Section 10. Certificate of Registration

After **five (5) days** from the completion of the publication **as provided for in Section 9, and upon submission of the affidavit of publications executed by the publisher, and an affidavit attesting to the posting of the billboard notice on the site**, the Board shall, in the absence of any impediment, issue a Certificate of Registration upon payment of the prescribed fees. **(per Board Res. No. 812, Series of 2007)**

Section 11. License to Sell (Amended per Board Res. No. 763, Series of 2004)

No owner or dealer shall sell any disposable subdivision lot or condominium unit in the registered project without a license to sell issued by the Board **within two (2) weeks from the registration of each project.**

Upon proper application therefore, submission of the required work program, performance bond **as provided for in Section 12 of this Rule** and payment of the prescribed license fee by the owner or dealer, the Board shall issue a license to sell the lot or unit in the project or portion thereof covered by the performance bond, provided that, the submitted registration statement and other pertinent documentary requirements can establish that the proposed sale of the subdivision lot or condominium unit to the public is not fraudulent.

Section 12. Performance Bond (Amended per Board Res. No. 763, Series of 2004)

The performance bond required may be in any of the following forms or a combination thereof:

- A. A surety bond **callable upon demand amounting** to 20% of the development cost of the unfinished portion of the approved plan issued by a duly accredited bonding company (whether private or government) and acceptable to the Board; or,
- B. Real estate mortgage to be executed by the applicant as mortgagor in favor of the Republic of the Philippines as mortgages, the latter as represented by and acting through the HLURB, over a property other than that subject of the application, free from any liens and encumbrance and provided, that the value of the property, computed on the basis of the zonal valuation schedule of the Bureau of Internal Revenue, shall be at least 20% of the total development cost; or,
- C. **Other forms of security** equivalent to 10% of the development cost of the unfinished portion of the approved plan which may be in the form of the following:
 1. **Cash Bond;**
 2. Fiduciary deposit made with the cashier and/or disbursing officer of the Board;

3. A certificate of guaranty deposit issued by any bank or financing institution of good standing in favor of the board for the total development cost;
4. A letter from any bank of recognized standing certifying that so much has been set aside from the bank account of the applicant in favor of the board which amount may be withdrawn by the chief executive officer of the board or by his duly authorized representative, at any time the principal fails or refuses to comply with his duties and obligations under the bond contract;
5. Any irrevocable credit line to be utilized in the development of the project from any bank of recognized standing and a refinancing re-structuring program indicating sources of funding from duly accredited funding institutions.

**RULE V
REGISTRATION OF REAL ESTATE DEALERS, BROKERS AND
SALESMEN**

Section 13. Application for Registration of Brokers and Salesmen

No broker or salesman shall engage in the business of selling subdivision lots or condominium units without securing a certificate of registration by filing with the Board a registration statement in quadruplicate containing the following information:

- a. Name, age and address
- b. If a corporation, partnership, or association, its office address and branch offices and the names and addresses of its executive officers and directors.
- c. Statement that applicant is qualified to act as real estate broker or salesman pursuant to law.
- d. If applicant is a salesman, the name and address of the dealer or broker who employs him, attaching a copy of appointment.
- e. If the applicant is a broker, the names and addresses of salesmen employed by him.

Section 14. Certificate of Registration

The certificate of registration for brokers and salesmen shall expire on the first day of December of each year. Renewal of registration for the succeeding year shall be granted upon filing an application made not less than 30 or more than 60 days before the first day of the ensuing year and upon payment of the prescribed fee without the necessity of filing further statements or information, unless specified by the Board. All applications filed beyond said period shall be treated as original applications.

Section 15. Bonds

The Bond required under Section 6 of the Decree may be either a cash **or** a surety bond issued by a duly accredited bonding company whether private or government agency. The bond shall contain a clause stating among others that it shall remain in full force and effect unless it is ordered, cancelled or released by the Board. The bond shall be executed in favor of the Housing and Land Use Regulatory Board conditioned upon the faithful and honest discharge by the applicant, as well as the salesman working under a broker or dealer, of their duties and shall further provide that upon failure to discharge those duties, the applicant shall be liable on the bond to any and all persons who may suffer loss by reason of such failure. The amount of the bond shall be P5, 000 for Dealers/Brokers and P1, 000 for Salesmen. These bonds shall no longer be required if equivalent bonds or securities have already been posted by applicants for the same purpose with other government agencies pursuant to law.

A dealer, broker or salesman may apply in writing with the Board for the cancellation and release of his bond stating therein his reasons. In appropriate cases, the Board may require the applicant to cause the publication of a notice there for at the latter's expense in a newspaper of general circulation slating, among others, the fact of such application. The proof of publication shall be submitted to the Board. Any person, having any claim for money or property against the dealer, broker or salesman in his real estate service or practice, must file his claim with the Board within 15 days from the date of publication. If the reason for the cancellation of the bond is his cessation from further engaging in the business of selling subdivision lots or condominium units, the dealer, broker or salesman shall surrender his certificate of registration to the Board and his name shall be cancelled from the Register of Dealers, Brokers and Salesmen.

RULE VI MISCELLANEOUS PROVISIONS

Section 16. Definition of Terms

For purposes of these rules, the following words and phrases are defined:

- a. **Board or HLURB** -shall mean the Housing and Land Use Regulatory Board.
- b. **Block** a parcel of land bounded on the sides by streets or alleys or pathways or other natural or man-made features, and occupied by or intended for buildings.

All lands fronting on one side of a street between the nearest streets, intersecting, meeting or crossing the aforesaid street.

- c. **Commercial Condominium** a building, or group of buildings, used for office, businesses, professional services and other commercial enterprise organized, owned and maintained as a condominium.

- d. **Common Areas** -means the entire project excepting all units separately granted, held or reserved.
- e. **Community Facilities** -facilities or structures intended to serve common needs and for the benefit of the community such as schools, places of worship, hospitals, health centers, barangay centers and other similar facilities/amenities per PD 1216.
- f. **Condominium** shall mean an interest in real property consisting of a separate interest in a unit in a residential, industrial or commercial building and an undivided interest in common directly or indirectly, in the land on which it is located and in other common areas of the building. A condominium may include, in addition, a separate interest in other portions of such real property. Title to the common areas, including the land, or the appurtenant interests in such areas, may be held by a corporation specially formed for the purpose in which the holders of separate interests shall automatically be members or shareholders, to the exclusive of others, in proportion to the appurtenant interest of their respective units in the common areas.

A building in which each individual unit is held in separate private ownership and all floor space, facilities and outdoor areas used in common by all tenants are owned, administered and maintained by a corporation created pursuant to the provisions of the appropriate statute.

An individual dwelling unit under individual ownership in a multiple units development with common elements in which:

- a. The units comprise not only the space enclosed by the unit boundaries, but all material parts of the land within the space;
- b. The common element means all the property within the development except the units;
- c. The common element is owned by all of the owners as tenants in common.

A building or group of buildings, in which units are owned individually, and the structure, common areas and facilities are owned by the owners on a proportional undivided basis.

- g. **Condominium Project** means the entire parcel of real property divided or to be divided in condominium, including all structures thereon.
- h. **Condominium Unit** -means a part of the condominium project intended for any type of independent use or ownership, including one or more floors (or part or parts of floors) in a building or buildings and such accessories as may be appended thereto.
- i. **Dealer** -shall mean any person directly engaged as principal in the business of buying, selling or exchanging real estate whether on full time or part-time basis. A bulk buyer shall mean any person who acquires a lot or a portion of the

subdivision and who, with or without re-subdividing or introducing housing or other facilities, sells the same, under its previous license to sell or in a new license to sell in his name to the public.

j. **Decree** -shall mean Presidential Decree No. 957 otherwise known as "The Subdivision and Condominium Buyer's Protective Decree."

k. **Dwelling Unit** – structure designed or used as residence.

One or more rooms that may be used as a residence, each unit having sleeping, cooking and toilet facilities.

One or more habitable rooms designed or intended for use by 1 or more individuals as an independent and separate housekeeping establishment in which separate kitchen and sanitary facilities are provided for the exclusive use of such individual or individuals, with a private entrance from outside the building or from a common hallway or stairway inside the building.

Dwelling Types:

1. Single Detached -a dwelling unit completely surrounded by yards.
2. Single Attached -a dwelling unit with one side attached to a firewall.
3. Duplex -a dwelling unit containing 2 separate living units each of which is separated from another by a firewall and provided with independent access.
4. Rowhouse dwelling units containing 3 or more living units designed in such a way that they abut each other and are separated from each other by a firewall each unit provided with independent access.

l. **Firewall** any wall which subdivides a building so as to resist the spread of fire, by starting at the foundation and extending continuously through all storeys to, or above the roof. Extension above the roof is 1 millimeter.

m. **Frontage** -the side of a lot which abuts a street.

n. **Living Unit** -a dwelling, or portion thereof, providing complete living facilities for one family, including provisions for living, sleeping, cooking, eating, bathing and toilet facilities and laundry facilities, the same as a single-family dwelling.

o. **Lot** portion of a subdivision or any parcel of land intended as a unit for transfer or ownership for building development.

Types of Lots. -Lots shall be defined as follows:

1. corner lot -a lot situated at the intersection of two or more streets.
2. regular lot -a lot fronting on one street and the remaining sides bounded by **lot** lines.

3. interior lot -a lot located at the inner portion of a block with a minimum of three-meter (3-m) wide access which forms part of the lot.
 4. through lot -a lot bounded on two opposite sides by roads.
 5. irregular lot -any lot which is not rectangle nor square-shaped
- p. **Medium Cost and Open Market** – refers to housing projects where prices of house and lot packages are within the suggested price ranges as determined through HUDCC resolution and falling under the standards prescribed in these rules.
- q. **Open Space** -shall refer to an area reserved exclusively for parks, playgrounds, recreational uses, schools, roads, places of worship, hospitals, health centers, barangay centers and other similar facilities and amenities.
- r. **Project** -means the entire parcel of real property divided or to be divided in condominiums, including all structures thereon.

Section 17. Submission of Semestral Reports on Operations

Every owner or dealer of a registered subdivision or condominium project shall submit to the Board semi-annual reports on operations showing the sales status indicating therein name of buyer, lot/block no., TCT no., date of purchase, name of mortgagee, mode of acquisition, extent /development status, changes in corporate officers and their addresses within 60 days after the end of each semester. Copies of corporate reports to the Securities and Exchange Commission shall also be furnished to the Board.

Section 18. Display of Certificate of Registration and License to Sell

The Certificate of Registration and License to Sell issued by the Board shall be displayed in a conspicuous place in the principal office of the owner, dealer, broker or salesman, as the case may be and a Xerox copy thereof in all its branches and offices.

Section 19. Lost or Destroyed Certificate of Registration or License

Upon loss or destruction of a Certificate of Registration or License to Sell a duplicate copy thereof may be issued by the Board after satisfactory proof of such loss or destruction, and payment of the prescribed fee. The fact that such duplicate has been issued shall be made of record.

Section 20. Advertisement

All advertisements for the sale of subdivision lots and condominium units shall be declared and approved by the Board pursuant to Section 19 of the Decree.

Section 21. Time for Completion

Every owner or developer shall construct and provide the facilities, infrastructures, other forms of development, including water supply and lighting facilities and as far as practicable improvements, which are offered and indicated in the approved subdivision or condominium plans, brochures, prospectus, printed matters, letters or in any form of advertisement, within one (1) year or within such other period of time as may be fixed by the Board from the date of the issuance of license to sell for the subdivision or condominium project.

Request for extension of time to complete development of a subdivision or condominium project may be granted only in cases where non-completion of project is caused by fortuitous events, legal orders or such other reasons that the board may deem fit/proper with the written notice to lot or unit buyers without prejudice to the exercise of their rights pursuant to Section 23 of the Decree.

The request for extension of time for completion shall be accompanied by a revised work program duly signed and sealed by a licensed engineer or architect with project costing and financing scheme there for. In appropriate cases, the Board may require the posting of additional performance bond amounting to 20% of development cost of the unfinished portion of the approved development plan, or issue such orders it may deem proper.

Section 22. Transfer of Ownership or Change of Name

Request for transfer of ownership and/or change of name may be granted only if there is a deed of absolute sale over the subdivision and condominium project sought to be transferred and/or the name thereof changed with an undertaking on the part of the transferee to assume full responsibility for the completion of the development thereof. The requirements in Sections 7 and 13 hereof shall be observed whenever applicable.

Such request for transfer of ownership or change of name shall be published at applicant's expense in a newspaper of general circulation within the city or municipality where the project is located at least once a week for two (2) consecutive weeks.

Section 23. Alteration of Plans

Request for alteration of subdivision plans may be granted if the requirements of Section 22 of the Decree are complied with. Alteration of condominium plans shall be in accordance with Section 4 of the Condominium Act as amended by Sections 1 and 2 of RA 7899.

Section 24. Non-forfeiture of Payments

No installment payment made by a buyer in a new or existing subdivision or condominium project for the lot or unit he contracted to buy shall be forfeited in favor of the owner or developer when the buyer, after due notice to the owner or developer and clearance from the Board desists from further payment due to the failure of the owner or developer to develop the project according to the approved plans and within the time limit for complying with the same. Such buyer may at his option be reimbursed the total amount paid including amortization interests but excluding delinquency interests, with interest thereon at the legal rate.

Section 25. Registration of Conveyances

Sales or conveyances of the subdivision lots and condominium units shall be registered within 180 days from execution thereof by the seller with the Register of Deeds of the province or city where the property is situated pursuant to Section 17 of the Decree. Except as may otherwise be provided for by law, the Board may in appropriate cases cause the Register of Deeds to cancel registration, entries or annotations on titles made on this regard.

Section 26. Mortgages

Mortgage of any unit or lot by the owner or developer shall be cleared with the Board pursuant to Section 18 of the Decree.

Section 27. Realty Tax and Other Charges

No realty tax assessment or other charges shall be imposed on a lot or unit buyer except as provided for in Section 26 and 27 of the Decree.

Section 28. Complaints Against Owners, Developers, Dealers, Brokers and Salesmen

Complaints or proceedings against owners, developers, dealers, brokers and salesmen shall be resolved in accordance with the Rules of Procedure to Govern the Conduct of Hearings before the Board.

Section 29. Administrative Fines

Any owner or dealer who fails to register an existing subdivision project or condominium project within the period prescribed under these rules and regulations shall be penalized in accordance with the approved schedule of fines. The implementation and payment of these administrative fines shall not preclude criminal prosecution of the offender under Section 39 of the Decree.

Section 30. Criminal Penalties

Any person violating any provisions of these rules shall be guilty of an offense and shall suffer the penalties provided for under Section 39 of the Decree.

Section 31. Identification of Lot Subject of Sale

The owner or dealer of a subdivision project shall attach to and shall form part of the sales document of any lot, a sketch plan clearly showing the area, boundaries and dimensions of the lot in relation with the block and the whole project, as well as the location of the project in relation with public roads and other land marks, to be certified by a licensed geodetic engineer and signed by the seller and buyer.

Section 32. Broker/Salesman as Witness to Sales

The broker or salesman who negotiated the sale of a subdivision lot or condominium unit shall act as one of the witnesses to the sales document with an indication of his Certificate of Registration number and renewal date. If the sale was directly made by the owner or dealer, that fact must be so stated in the sales document.

Section 33. Fees

The Board or the local government unit concerned shall collect fees in accordance with the schedule of fees approved by the Board or the local government concerned.

Section 34. Applicability

These Rules shall apply only to residential subdivision and condominium projects as defined by the Decree and related laws.

Section 35. Transitory Provisions

The provisions of Rule II. Section (5) Subsection (A) (1) and Subsection (B) (2) of these Rules to the contrary notwithstanding, and subject to further review thereof, licensed architects who are not licensed environmental planners may in the meantime still continue to sign site development plans/subdivision development plans of subdivision projects, for a period of 2 years from the date of effectivity of these Rules.

Section 36. Separability Clause

The provisions of these Rules are hereby declared separable, and in the event any of such provisions are declared null and void, the validity of all other provisions shall not be affected thereby.

Section 37. Effectivity

These Rules shall take effect immediately after its publication once in any newspaper of general circulation.

ANNEX A

MALACANANG

Manila

PRESIDENTIAL DECREE NO. 957

REGULATING THE SALE OF SUBDIVISION LOTS AND CONDOMINIUMS, PROVIDING PENALTIES FOR VIOLATIONS THEREOF

WHEREAS, it is the policy of the State to afford its inhabitants the requirements of decent human settlement and to provide them with ample opportunities for improving their quality of life;

WHEREAS, numerous reports reveal that many real estate subdivision owners, developers, operators, and/or sellers have reneged on their representations and obligations to provide and maintain properly subdivision roads, drainage, sewerage, water systems, lighting systems, and other similar basic requirements, thus endangering the health and safety of home and lot buyers;

WHEREAS, reports of alarming magnitude also show cases of swindling and fraudulent manipulations perpetrated by unscrupulous subdivision and condominium sellers and operators, such as failure to deliver titles to the buyers or titles free from liens and encumbrances, and to pay real estate taxes, and fraudulent sales of the same subdivision lots to different innocent purchasers for value;

WHEREAS, these acts not only undermine the land and housing program of the government but also defeat the objectives of the New Society, particularly the promotion of peace and order and the enhancement of the economic, social and moral condition of the Filipino people;

WHEREAS, this state of affairs has rendered it imperative that the real estate subdivision and condominium businesses be closely supervised and regulated and that penalties be imposed on fraudulent practices and manipulations committed in connection therewith.

NOW, THEREFORE, I, FERDINAND E MARCOS, President of the Philippines, by virtue of the powers vested in me by the Constitution, do hereby decree and order:

Title I TITLE AND DEFINITIONS

SEC. 1. Title. -This decree shall be known as **THE SUBDIVISION AND CONDOMINIUM BUYER'S PROTECTIVE DECREE**.

SEC. 2. Definition of Terms. -When used in this decree, the following terms shall unless the context otherwise indicates, have the following respective meanings:

a) Person. -"Person" shall mean a natural or a juridical person. A juridical person refers to a business firm whether a corporation, partnership, cooperative or association or a single proprietorship.

b) Sale or Sell. -"Sale" or "Sell" shall include every disposition, or attempt to dispose, for a valuable consideration, of a subdivision lot, including the building and other improvements thereof, if any, in a subdivision project or condominium unit in a condominium project. "Sale" and "Sell" shall also include a contract to sell, a contract of purchase and sale, an exchange, an attempt to sell, an option of sale or purchase, a solicitation of a sale, or any offer to sell, directly or by an agent, or by a circular, letter, advertisement or otherwise.

A privilege given to a member of a cooperative, corporation, partnership, or any association and/or the issuance of a certificate of receipt evidencing or giving the right of participation in, or right, any land in consideration of payment of the membership fee or dues, shall be deemed a sale within the meaning of this definition.

c) Buy and Purchase. -The term "Buy" and "Purchase" shall include any contract to buy, purchase, or otherwise acquire for a valuable consideration a subdivision lot, including the building and other improvements, if any, in a subdivision project or a condominium unit in a condominium project.

d) Subdivision Project. -"Subdivision Project" shall mean a tract or a parcel of land registered under Act No. 496 which is partitioned primarily for residential purposes into individual lots with or without improvements thereon, and offered to the public for sale, in cash or in installment terms. It shall include all residential, commercial, industrial and recreational areas, as well as open spaces and other community and public areas in the project.

e) Subdivision Lot. -"Subdivision Lot" shall mean any of the lots, whether residential, commercial, industrial, or recreational, in a subdivision project.

f) Complex Subdivision Plan. -"Complex Subdivision Plan" shall mean a subdivision plan of a registered land wherein a street, passageway or open space is delineated on the plan.

g) Condominium Project. -"Condominium Project" shall mean the entire parcel of real property divided or to be divided primarily for residential purposes into condominium units, including all structures thereon.

h) Condominium Unit. -"Condominium Unit" shall mean a part of the condominium project intended for any type of independent use or ownership, including one or more rooms or spaces located in one or more floors (or part of parts of floors) in a building or buildings and such accessories as may be appended thereto.

i) Owner. -"Owner" shall refer to the registered owner of the land subject of a subdivision or a condominium project.

j) Developer. -"Developer" shall mean the person who develops or improves the subdivision project or condominium project for and in behalf of the owner thereof.

k) Dealer. -"Dealer" shall mean any person directly engaged as principal in the business of buying, selling or exchanging real estate whether on a full-time or part-time basis.

l) Broker. -"Broker" shall mean any person who, for commission or other compensation, undertakes to sell or negotiate the sale of a real estate belonging to another.

m) Salesman. -"Salesman" shall refer to the person regularly employed by a broker to perform, for and in his behalf, any or all the functions of a real estate broker.

n) Authority. -"Authority" shall mean the National Housing Authority.

Title II REGISTRATION AND LICENSE TO SELL

SEC. 3. National Housing Authority. -The National Housing Authority shall have exclusive jurisdiction to regulate the real trade and business in accordance with the provisions of this Decree.

SEC. 4. Registration of Project. -The registered owner of a parcel of land who wishes to convert the same into a subdivision project shall submit his subdivision plan to the Authority which shall act upon and approve the same, upon a findings that the plan complies with the Subdivision Standards and Regulations enforceable at the time the plan is submitted. The same procedure shall be followed in the case of a plan for a condominium project except that, in addition, said Authority shall act upon and approve the plan with respect to the building or buildings included in the condominium project in accordance with the National Building Code (R.A. No. 6541).

The subdivision plan, as so approved, shall then be submitted to the Director of Lands for approval in accordance with the procedure prescribed in Section 44 of the Land Registration Act (Act No. 496 as amended by R.A. No. 440): Provided, that in case of complex subdivision plans, court approval shall no longer be required. The condominium plan, as likewise so approved, shall be submitted to the Register of Deeds of the province or city in which the property lies and the same shall be acted upon subject to the conditions and in accordance with the procedure prescribed in Section 4 of the Condominium Act (R.A. No. 4726).

The owner or the real estate dealer interested in the sale of lots or units, respectively, in such subdivision project or condominium project shall register the project with the Authority by filing therewith a sworn registration statement containing the following information:

- a) Name of the owner;
- b) The location of the owner's principal business office, and if the owner is a non-resident Filipino, the name and address of his agent or representative in the Philippines authorized to receive notice;
- c) The names and addresses of all the directors and officers of the business firm, if the owner;
- d) The general character of the business actually transacted or to be transacted by the owner;

- e) A statement of the capitalization of the owner, including the authorized and outstanding amounts of its capital stock and the proportion thereof which is paid-up.

The following documents shall be attached to the registration statement:

- a. A copy of the subdivision plan or condominium plan as approved in Accordance with the first and second paragraphs of this section;
- b. A copy of any circular, prospectus, brochure, advertisement, letter, or Communication to be used for the public offering of the subdivision lots or condominium units;
- c. In case of a business firm, a balance sheet showing the amount and general character of its assets and liabilities and a copy of its articles of incorporation or articles of partnership or association, as the case may be, with all the amendments thereof and existing by-laws or instruments corresponding thereto;
- d. A title to the property which is free from all liens and encumbrances: Provided, however, that in case any subdivision lot or condominium unit is mortgaged, it is sufficient if the instrument of mortgage contains a stipulation that the mortgagee shall release the mortgage on any subdivision lot or condominium unit as soon as the full purchase price for the same is paid by the buyer.

The person filing the registration statement shall pay the registration fees prescribed therefore by the Authority.

Thereupon, the Authority shall immediately cause to be published a notice of the filing of the registration statement at the expense of the applicant -owner or dealer, in two newspapers of general circulation, one published in English and another in Pilipino, once a week for two consecutive weeks, reciting that a registration statement for the sale of subdivision lots or condominium units has been filed in the National Housing Authority; that the aforesaid registration statement, as well as the papers attached thereto, are open to inspection during business hours by interested parties, under such regulations as the Authority may impose; and that copies thereof shall be furnished to any party upon payment of the proper fees.

The subdivision project or the condominium project shall be deemed registered upon completion of the above publication requirement. The fact of such registration shall be evidenced by a registration certificate to be issued to the applicant-owner or dealer.

SEC. 5. License to Sell. Such owner or dealer to whom has been issued a registration certificate shall not, however, be authorized to sell any subdivision lot or condominium unit in the registered project unless he shall have first obtained a license to sell the project within two weeks from the registration of such project.

The Authority, upon proper application therefore, shall issue to such owner or dealer of a registered project a license to sell the project if, after an examination of the registration statement filed by said owner or dealer and all the pertinent

documents attached thereto, he is convinced that the owner or dealer is of good repute, that his business is financially stable, and that the proposed sale of the subdivision lots or condominium units to the public would not be fraudulent.

Sec. 6. Performance Bond – No license to sell subdivision lots or condominium units shall be issued by the Authority under Section 5 of this Decree unless the owner or dealer shall have filed an adequate performance bond approved by said Authority to guarantee the construction and maintenance of the roads, gutters, drainage, sewerage, water system, lighting systems, and full development of the subdivision project or the condominium project and the compliance by the owner or dealer with the applicable laws and rules and regulations.

The performance bond shall be executed in favor of the Republic of the Philippines and shall authorize the Authority to use the proceeds thereof for the purposes of its undertaking in case of forfeiture as provided in this Decree.

SEC. 7. Exempt Transactions. -A license to sell and performance bond shall not be required in any of the following transactions:

- a) Sale of a subdivision lot resulting from the partition of land among co-owners and co-heirs.
- b) Sale or transfer of a subdivision lot by the original purchaser thereof and any subsequent sale of the same lot.
- c) Sale of a subdivision lot or a condominium unit by or for the account of a mortgagee in the ordinary course of business when necessary to liquidate a bona fide debt.

SEC. 8. Suspension of License to Sell. -Upon verified complaint filed by a buyer of a subdivision lot or a condominium unit or any interested party, the Authority may, in its discretion, immediately suspend the owner's or dealer's license to sell pending investigation and hearing of the case as provided in Section 13 hereof.

The Authority may *motu proprio* suspend the license to sell if, in its opinion, any information in the registration statement filed by the owner or dealer is or has become misleading. Incorrect, inadequate or incomplete or the sale or offering for sale of the subdivision or condominium project may work or tend to work a fraud upon prospective buyers.

The suspension order may be lifted if, after notice and hearing, the Authority is convinced that the registration statement is accurate or that any deficiency therein has been corrected or supplemented or that the sale to the public of the subdivision or condominium project will neither be fraudulent nor result in fraud. It shall also be lifted upon dismissal of the complaint for lack of legal basis.

Until the final entry of an order of suspensions, the suspension of the right to sell the project, though binding upon all persons notified thereof, shall be deemed confidential unless it shall appear that the order of suspension has in the meantime been violated.

SEC. 9. Revocation of Registration Certificate and License to Sell. -The Authority may, *moto proprio* or upon verified complaint filed by a. buyer of a subdivision lot or condominium unit, revoke the registration of any subdivision project and the license to sell any subdivision lot or condominium unit in said project by issuing an order to this effect, with his findings in respect thereto, if upon examination into the' affairs of the owner or dealer during a hearing as provided for in Section 14 hereof, it shall appear there is satisfactory evidence that the said owner or dealer:

- a) Is insolvent; or
- b) Has violated any of the provisions of this Decree or any applicable rule or regulation of the Authority, or any undertaking of his/its performance bond; or
- c) Has been or is engaged or is about to engage in fraudulent transactions; or
- d) Has made any misrepresentation in any prospectus, brochure, circular or Other literature about the subdivision project or condominium project that has been distributed to prospective buyer; or
- e) Is of bad business repute; or
- f) Does not conduct his business in accordance with law or sound business principles.

Where the owner or dealer is a partnership or corporation or an unincorporated association, it shall be sufficient cause for cancellation of its registration certificate and its license to sell, if any member of such partnership or any officer or director of such corporation or association has been guilty of any act or omission which would be cause for refusing or revoking the registration of an individual dealer, broker or salesman **as** provided in Section 11 hereof.

SEC. 10. Registers of Subdivision Lots and Condominium Units. -A record of subdivision lots and condominium units shall be kept in the Authority wherein shall be entered all orders of the Authority affecting the condition or status thereof. The registers of subdivision lots and condominium units shall be open to public inspection subject to such reasonable rules as the Authority may prescribe.

Title III DEALERS, BROKERS AND SALESMEN

SEC. 11. Registration of Dealers, Brokers and Salesmen. -No real estate dealer, broker or salesman shall engage in the business of selling subdivision lots or condominium units unless he has registered himself with the Authority in accordance with the provisions of this section.

If the Authority shall find that the applicant is of good repute and has complied with the applicable rules of the Authority, including the payment of the prescribed fee, **he** shall register such applicant as a dealer, broker, or salesman upon his filing a bond, or other security in lieu thereof, in such sum as may be fixed by the Authority conditioned

upon his faithful compliance with the provisions of this Decree: Provided, that the registration of a salesman shall cease upon the termination of his employment with a dealer or broker.

Every registration under this section shall expire on the thirty-first day of December of each year. Renewal of registration for the succeeding year shall be granted upon written application therefore made not less than thirty nor more than sixty days before the first day of the issuing year and upon payment of the prescribed fee, without the necessity of filing further statements or information, unless specifically required by the Authority. All applications filed beyond said period shall be treated as original applications.

The names and addresses of all persons registered as dealers, brokers or salesman shall be recorded in a Register of Brokers, Dealers and Salesman kept in the Authority which shall be open to public inspection.

SEC. 12. Revocation of Registration as Dealers, Brokers, Salesmen. - Registration under the preceding section may be refused or any registration granted there under, revoked by the Authority if, after reasonable notice and hearing, it shall determine that such applicant or registrant:

- 1) Has violated any provision of this Decree or any rule or regulation made hereunder; or
- 2) Has made a material false statement in his application for registration; or
- 3) Has been guilty of a fraudulent act in connection with any sale of a subdivision lot or condominium unit; or
- 4) Has demonstrated his unworthiness, to transact the business of dealer, broker, or salesman, as the case may be.

In case of charges against a salesman, notice thereof shall also be given the broker or dealer employing such salesman.

Pending hearing of the case, the Authority shall have the power to order the suspension of dealer's, broker's or salesman's registration; provided, that such order shall state the cause for the suspension.

The suspension or revocation of the registration of a dealer shall carry with it all the suspension or revocation of the registrations of all his salesman.

Title IV
PROCEDURE FOR REVOCATION OF
REGISTRATION CERTIFICATE

SEC. 13. Hearing. -In the hearing for determining the existence of any ground or grounds for the suspension and/or revocation of registration certificate and license to sell as provided in Sections 8 and 9 hereof, the following shall be complied with:

- a) Notice -No such hearing shall proceed unless the respondent is furnished with a copy of the complaint against him or is notified in writing of the purpose of such hearing.
- b) Venue – The hearing may be held before the officer or officers designated by the Authority on the date and place specified in the notice.
- c) Nature of Proceedings -The proceedings shall be non-litigious and summary in nature without regard to legal technicalities obtaining in courts of law. The Rules of Court shall not apply in said hearing except by analogy or in a suppletory character and whenever practicable and convenient.
- d) Power Incidental to the Hearing - For the purpose of the hearing of other Proceeding under this Decree, the officer or officers designated to hear the complaint shall have the power to administer oaths, subpoena witnesses, conduct ocular inspections; take dispositions, and require the production of any book, paper, correspondence, memorandum, or other record which are deemed relevant or material to the inquiry.

SEC. 14. Contempt.

- a) Direct Contempt. -The officer or officers designated by the Authority to hear the complaint may summarily adjudge in direct contempt any person guilty of misbehavior in the presence of near the said hearing officials so as to obstruct or interrupt the proceedings before the same or of refusal to be sworn or to answer as a witness or to subscribe an affidavit or deposition when lawfully required to do so. The person found guilty of direct contempt under this section shall be punished by a fine not exceeding fifty (P50.00) pesos or imprisonment not exceeding five (5) days, or both.
- b) Indirect Contempt. -The officer or officers designated to hear the complaint may also adjudge any person in indirect contempt on grounds and in the manner prescribed in Rule 71 of the Revised Rules of Court.

SEC. 15. Decision. The case shall be decided within thirty (30) days from the time the same is submitted for decision. The decision may order the revocation of the registration of the subdivision or condominium project, the suspension, cancellation, or revocation of the license to sell and/or the forfeiture, in whole or in part, of the performance bond mentioned in Section 6 hereof. In case forfeiture of the bond is ordered, the Decision may direct the provincial or city engineer to undertake or cause the construction of roads and of other requirements for the subdivision or condominium as stipulated in the bond, chargeable to the amount forfeited. Such decision shall be

immediately executory and shall become final after the lapse of 15 days from the date of receipt of the Decision.

SEC. 16. Cease and Desist Order – Whenever it shall appear to the Authority that any person is engaged or about to engage in any act or practice which constitutes or will constitute a violation of the provisions of this Decree, or of any rule or regulation thereunder, it may, upon due notice and hearing as provided in Section 13 hereof, issue a cease and desist order to enjoin such act or practices.

SEC. 17. Registration – All contracts to sell, deeds of sale and other similar instruments relative to the sale or conveyance of the subdivision lots and condominium units, whether or not the purchase price is paid in full, shall be registered by the seller in the Office of the Register of Deeds of the province or city where the property is situated.

Whenever a subdivision plan duly approved in accordance with Section 4 hereof, together with the corresponding owner's duplicate certificate of title, is presented to the Register of Deeds for registration, the Register of Deeds shall register the same in accordance with the provisions of the Land Registration Act, as amended: Provided, however, that if there is a street, passageway or required open space delineated on a complex subdivision plan hereafter approved and as defined in this Decree, the Register of Deeds shall annotate on the new certificate of title covering the street, passageway or open space, a memorandum to the effect that except -by way of donation in favor of a city or municipality, no portion of any street, passageway, or open space delineated on the plan shall be closed or otherwise disposed of by the registered owner without the requisite approval as provided under Section 22 of this Decree.

SEC. 18. Mortgages. No mortgage on any unit or lot shall be made by the owner or developer without prior written approval of the Authority. Such approval shall not be granted unless it is shown that the proceeds of the mortgage loan shall be used for the development of the condominium or subdivision project and effective measures have been provided to ensure such utilization. The loan value of each lot or unit covered by the mortgage shall be determined and the buyer thereof, if any, shall be notified before the release of the loan. The buyer may, at his option, pay his installment for the lot or unit directly to the mortgagee who shall apply the payments to the corresponding mortgage indebtedness secured by the particular lot or unit being paid for with a view to enabling said buyer to obtain title over the lot or unit promptly after full payment thereof.

SEC. 19. Advertisements. Advertisements that may be made by the owner or developer through newspaper, radio, television, leaflets, circular or any other form about the subdivision or the condominium or its operations or activities must reflect the real facts and must be presented in such manner that will not tend to mislead or deceive the public.

The owner or developer shall be answerable and liable for the facilities, improvements, infrastructures or other forms of development represented or promised in brochures, advertisements and other sales propaganda disseminated by the owner or developer or his agents and the same shall form part of the sales warranties enforceable against said owner or developer, jointly and severally. Failure to comply with these warranties shall also be punishable in accordance with the penalties provided for in this Decree.

SEC. 20. Time of Completion. - Every owner or developer shall construct and provide the facilities, improvements, infrastructures and other forms of development, including water supply and lighting facilities, which are offered and indicated in the approved subdivision or condominium plans, brochures, prospectus, printed matters, letters or in any form of advertisement, within one year from the date of the issuance of the license for the subdivision or condominium project or such other period of time as may be fixed by the Authority.

SEC. 21. Sales Prior to Decree. - In cases of subdivision lots or condominium units sold or disposed of prior to the effectivity of this Decree, it shall be incumbent upon the owner or developer of the subdivision or condominium project to complete compliance with his or its obligations as provided in the preceding section within two years from the date of this Decree unless otherwise extended by the Authority or unless an adequate performance bond is filed in accordance with Section 6 hereof.

Failure of the owner or developer to comply with the obligations under this and the preceding provisions shall constitute a violation punishable under Sections 38 and 39 of this Decree.

SEC. 22. Alteration of Plans. - No owner or developer shall change or alter the roads, open spaces, infrastructures, facilities for public use and/or other form of subdivision development as contained in the approved subdivision plan and/or represented in its advertisements, without the permission of the Authority and the written conformity or consent of the duly organized homeowners' association, or in the absence of the latter, by the majority of the lot buyers in the subdivision.

SEC. 23. Non-Forfeiture of Payments. - No installment payment made by a buyer in a subdivision or condominium project for the lot or unit he contracted to buy shall be forfeited in favor of the owner or developer when the buyer, after due notice to the owner or developer, desists from further payment due to the failure of the owner or developer to develop the subdivision or condominium project according to the approved plans and within the time limit for complying with the same. Such buyer, may at his option, be reimbursed the total amount paid including amortization interest but excluding delinquency interests, with interest thereon at the legal rate.

SEC. 24. Failure to Pay Installments. - The rights of the buyer in the event of his failure to pay the installments due for reasons other than the failure of the owner or developer to develop the project shall be governed by Republic Act No.6552

Where the transaction or contract was entered into prior to the effectivity of Republic Act No.6552 on August 26, 1972, the defaulting buyer shall be entitled to the corresponding refund based on the installments paid after the effectivity of the law in the absence of any provision in the contract to the contrary.

SEC. 25. Issuance of Title. - The owner or developer shall deliver the title of the lot or unit to the buyer upon full payment of the lot or unit. No fees, except those required for the registration of the deed of sale in the Registry of Deeds, shall be collected for the issuance of such title. In the event a mortgage over the lot or unit is outstanding at the time of the issuance of the title to the buyer, the owner or developer shall redeem the mortgage or the corresponding portion thereof within six months from such issuance in order that the title over any fully paid lot or unit may be secured and delivered to the buyer in accordance herewith.

SEC. 26. Realty Tax. -Real estate tax and assessment on a lot or unit shall be paid by the owner or developer without recourse to the buyer for as long as the title has not passed the buyer; Provided, however, that if the buyer has actually taken possession of occupied the lot or unit, he shall be able to the owner or developer for such tax and assessment effective the year following such taking of possession and occupancy.

SEC, 27. Other Charges. -No owner or developer shall levy upon any lot or unit buyer a fee for an alleged community benefit. Fees to finance services for common comfort, security and sanitation may be collected only by a properly organized homeowners association and only with the consent of a majority of the lot or unit buyers actually residing in the subdivision or condominium project.

SEC. 28. Access to Public Offices in the Subdivision. -No owner or developer shall deny any person free access to any government office or public establishment located within the subdivision or which may be reached only by passing through the subdivision.

SEC. 29. Right of Way to Public Road. -The owner or developer of a subdivision without access to any existing public road or street and such right of way must be developed and maintained according to the requirement of the government authorities concerned.

SEC. 30. Organization of Homeowners Association. -The owner or developer of a subdivision project or condominium project shall initiate the organization of a homeowners association among the buyers and residents of the projects for the purpose of promoting and protecting their mutual interest and assist in their community development.

Sec. 31. Donation of Roads and Open Spaces to Local Government. -The registered owner or developer of the subdivision or condominium project, upon completion of the development of said project may, at his option, convey by way of donation the roads and open spaces found within the project to the city or municipality wherein the project is located. Upon acceptance of the donation by the city or municipality concerned, no portion of the area donated shall thereafter be converted to any other purpose or purposes unless after hearing, the proposed conversion is approved by the Authority.

SEC. 32. Phases of Subdivision. -For purposes of complying with the provisions of this Decree, the owner or developer may divide the development and sale of the subdivision into phases, each phase to cover not less than ten (10) hectares. The requirement imposed by this Decree on the subdivision as a whole shall be deemed imposed on each phase.

SEC. 33. Nullity of Waivers. -Any condition, stipulation, or provision in contract of sale whereby any person waives compliance with any provision of this Decree or of any rule or regulation issued there under shall be void.

SEC. 34. Visitorial Powers. -This Authority, through its duly authorized representative may, at any time, make an examination into the business affairs, administration, and condition of any person, corporation, partnership, cooperative, or association engaged in the business of selling subdivision lots and condominium units.

For this purpose, the official authorized to do so shall have the authority to examine under oath the directors, officers, stockholders or members of any corporation, partnership, association, cooperative or other persons associated or connected with the business and to issue subpoena or subpoena duces tecum in relation to any investigation that may arise therefrom.

The Authority may also authorize the Provincial, City or Municipal Engineer, as the case may be, to conduct an ocular inspection of the project to determine whether the development of said project conforms to the standards and specifications prescribed by the government.

The books, papers, letters, and other documents belonging to the person or entities herein mentioned shall be open to inspection by the Authority or its duly authorized representatives.

SEC. 35. Take-Over Development. The Authority, May take-over or cause the development and completion of the subdivision or Condominium project at the expense of the owner or developer, jointly and severally, in cases where the owner or developer has refused or failed to develop or complete the development of the Project as provided for in this Decree.

The Authority may, after such take-over, demand, collect and receive from the buyers the installment payments due on the lots, which shall be utilized for the development of the subdivision.

SEC. 36. Rules and Regulations. The Authority shall issue the necessary standards rules and regulations for the effective implementation of the provisions of this Decree. Such standards, rules and regulations shall take effect immediately after their publication three (3) times a week for two consecutive weeks in any newspaper of general circulation.

SEC. 37. Deputization of Law Enforcement Agencies. The Authority may deputize the Philippine Constabulary or any law enforcement agency in the execution of its final orders, rulings or decisions.

SEC. 38. Administrative Fines. The Authority may prescribe and impose fines not exceeding ten thousand pesos for violations of the provisions of this Decree or of any rule or regulation thereunder. Fines shall be payable to the Authority and enforceable through writs of execution in accordance with the provisions of the Rules of Court.

SEC. 39. Penalties. Any person who shall violate any of the provisions of this Decree and/or any rule or regulation that may be issued pursuant to this Decree shall, upon conviction, be punished by a fine of not more than twenty thousand (P20,000.00) pesos and/or imprisonment of not more than ten (10) years. Provided, that in the case of corporations, partnerships, cooperatives, or associations, the President, Manager or Administrator or the person who has charge of the administration of the business shall be criminally responsible for any violation of this Decree and/or the rules and regulations promulgated pursuant thereto.

SEC. 40. Liability of Controlling Persons. -Every person who directly or indirectly controls any person liable under any provision of this Decree or of any rule or regulation issued thereunder shall be liable jointly and severally with and to the same extent as such controlled person unless the controlling person acted in good faith and did not directly or indirectly induce the act or acts constituting the violation or cause of action.

SEC. 41. Other Remedies. -The rights and remedies provided in this Decree shall be in addition to any and all other rights and remedies that may be available under the existing laws.

SEC. 42. Repealing Clause. -All laws, executive order, rules and regulations, or parts thereof inconsistent with the provisions of this Decree are hereby repealed or modified accordingly.

SEC. 43. Effectivity. -This Decree shall take effect upon its approval.

DONE in the City of Manila, this 12th day of July, in the year of our Lord, Nineteen hundred and seventy-six.

(SGD.) FERDINAND E. MARCOS
President Republic
of the Philippines

By the President:

(SGD.) JACOBO C. CLAVE
Presidential Executive Assistant