

REAL ESTATE HISTORY

Collin M. Hoskins

- called for professionalization of real estate service in 1920
- a former American serviceman who pursued business in real estate services and founded the Manila Realty Boards on November 7, 1938

Commerce Administrative Order No.3-6

- July 29, 1939
- served as the code in the formal practice of real estate brokerage in the Philippines
- Hoskins was instrumental in the drafting of rules and regulations on brokerage

Sec 3(e) of Act No. 2728

- Modified by the Philippine Legislature in 1952, to include the real estate brokers to be licensed and regulated by the Bureau of Commerce

Commerce Administrative Order No.60-1

- April 28, 1960
- Examination for Real Estate Broker profession was first introduced by the Bureau of Domestic Trade (DTI), as embodied the new provisions of the revised regulations

Manila Realty Board

- was admitted as a member of the Real Estate Board of America (NAREB), and was authorized to license members to use the term REALTOR, a service mark owned by NAREB and registered in the United States Patent Office as Doc No. 519780 and 515200, and in the Philippines as Doc No. 5385

DAO No. 1-75, Series of 1975

- update the rules and regulations

Ministry Order No.39, series of 1985

- Rules and Regulations of Governing the Licensing and Supervision of Real Estate Salesmen, Brokers, Appraisers and Consultants
- Administrative Order implemented by the Ministry of Trade and Industry (DTI)
- Expanded Real Estate Brokerage Practice to include the practice of real estate appraisal and real estate consultancy
- Amended by Act Nos. 371, 3969, and Executive Order No. 913

Congressman Rodolfo G. Valencia

- Initiated the bill in 1988 to professionalizing the Real Estate Practice

DTI Department Administrative Order No. 97

- Created in 1992 the Realty Service Council of the Philippines (RESCOP), which was mandated as the consultative body of DTI

LAND ADMINISTRATION AND MANAGEMENT PROJECT (LAMP)

- The Philippine government has committed to pursue economic growth by improving among others, procedures for valuing real property.

LAND ADMINISTRATION AND MANAGEMENT PROJECT II (LAMP 2)

- as part of the preparatory phase for a larger and longer term LAMP of the Philippine government which aims to improve the effectiveness and efficiency of land administration and management in the PH.
- envisioned to lay the foundation for improvement of inter-agency collaboration in the delivery of integrated land administration services which support tenure security and property valuation.
- aims to implement real property valuation and taxation reforms

REPUBLIC ACT 9646

- June 29, 2009
- Also known as the "Real Estate Service Act of the Philippines" (RESA)
- Repealed Section 3(e) of Act No. 2728 which served as the basis of authority of the Department of Trade and Industry (DTI) in regulating the real estate service, transferring the function to the Professional Regulation Commission (PRC)
- Created a Professional Regulatory Board of Real Estate Service, under the supervision and administrative control of Professional Regulation Commission (PRC)
- PRC shall be responsible for the issuance of the Certificate of Registration and Professional Identification Card of Real Estate Practitioners

The Philippine Valuation Standard (1st Edition)

- Adoption of the IVSC Valuation Standards under Philippine Setting was published as a part of a wider on-going program of land reform in the PH.
- October 19, 2009
- Department Order No. 037.09 was issued prescribing the PVS 1st Edition 2009, by the Secretary of Finance

March 5, 2018

- The bureau of Local Government Finance (BLFG) became an institutional member of the International Valuation Standard Council (IVSC)

Philippine Valuation Standard (2nd Edition, 2018)

- Department Order No. was issued on July 2, 2018 prescribing the PVS 2nd Edition 2018, by the Secretary of Finance under the authority of the following laws:
- Sec 201, RA No. 1760 (Local Government Code)
- Sec 33 (1) and (2), Chapter 4, Title II, Book IV, EO No. 292 (Administrative Code of 1987)
- Sec 2, RA No. 9646 (RESA LAW)
- Sec 4(E) of RA 10963 – Tax Reform for Acceleration and Inclusion (TRAIN)

REAL ESTATE PROFESSIONS

- Bank Appraisers
- Appraiser in Property Appraisal and Consultancy
- OIC for Appraisal Operations & Property Management
- Proprietor of Appraisal and Brokerage
- Local Assessment Operations Officer IV at DOF
- Part Time Professors

Real Estate Professionals

- Individuals and business organizations whose sole enterprise is performing a real estate-related service or function.

PROPERTY-RELATED FUNCTIONS

1. **Creation and Improvement**
 - Creating real properties from raw land involves capital formation, financing, construction, contracting and regulatory approvals.
 - Examples of this are, developers, market analysts, public and private planners, surveyors, architects, engineers, building contractors, public and private inspectors, space planners, mortgage brokers, mortgage lenders & banks etc.....
2. **Management & Maintenance**
 - Raw land or improved property must be managed and maintained
 - Examples of who handles this are the property managers, asset managers, maintenance engineers, maintenance techniques and corporate managers.
3. **Demolition**
 - Serve to remove properties that are no longer economically viable from the market
 - Examples of this are the contractors and excavators.
4. **Investment Ownership**
 - Focuses on identifying and exploiting real estate investments opportunities for profit and provides capital and liquidity to the real estate markets.
 - Examples of who handles this are the Investors, Corporate Managers

5. Regulation

- Real estate to some degree is regulated by the governments
- The principal areas of regulation are usage, taxation, and housing administration.
- The ones who handle this are the assessors, public planners, zoning and administrators, building inspectors.

6. Transfer

- Rights and interest in real estate can be bought, sold, assigned, leased, exchanged, inherited or otherwise transferred from one owner to another.
- The ones who handle this are the brokers, agents, appraisers, lenders & bankers, mortgage brokers, title & escrow companies, attorneys, insurers and surveyors.

REAL ESTATE FUNCTIONS

1. **Development** - it includes identifying a site for a particular type of property, conceptualizing the way in which the building will serve its intended purpose, and securing the necessary governmental approvals
2. **Construction** - the site is prepared to accommodate the building of a structure and includes the creation of infrastructure to serve the structures such as utilities and roads.
3. **Property management** - responsible for the administration of the property, including billing and collecting rents & paying the property's operating expense.
 - Involves day to day operation of a property including housekeeping, security, maintenance and repairs.
4. **Leasing** - identifying prospective tenants who require space for their store or business.
5. **Property Brokerage** - the sale of investment properties.
 - It analyzes the asset in the context of the current property market and identifies interested investors.
6. **Asset Management** - Development and implementation of a strategic plan that maximizes the value of a property
7. **Portfolio Management** - Forming a portfolio that matches the requirement of an investor.

CAREERS IN REM

1. **REAL ESTATE CONSULTANT**
 - A duly registered and licensed natural person who, for a professional fee, compensation or other valuable consideration, offers or renders professional advice and judgment on (i) the acquisition, enhancement, preservation, utilization or disposition of lands or improvements thereon; (ii) the conception, planning, management, and development of real estate projects
2. **REAL ESTATE APPRAISER**

- A duly registered and licensed natural person who, for a professional fee, compensation or other valuable consideration, performs or renders, or offers to perform services in estimating and arriving at an opinion of or acts as an expert on real estate values, such as services of which shall be finally rendered by the preparation of the report in acceptable written form (Banks, Private Practice and Real Estate Consultancy / Property Management)

3. REAL ESTATE ASSESSOR

- A duly registered and licensed natural person who works in a local government unit and performs appraisal and assessment of real properties, including plants, equipment, and machineries, essentially for taxation purposes.
- **GOVERNMENT ASSESSOR / APPRAISER**
 - National government or Provincial City/Municipal: Assessor, Assistant Assessor, Property Appraiser, Local Assessment Operations Officer, Asset Management Officer.
- **GOCC / GFI**
 - Property Appraiser and Development Manager Officer

4. REAL ESTATE BROKER

- A duly registered and licensed natural person who, for a professional fee, commission or other valuable consideration, acts as an agent of a party in a real estate transaction to offer, advertise, solicit, list, promote, mediate, negotiate or effect the meeting of the minds on the sale, purchase, lease or joint venture, or other similar transactions on real estate or any interest therein.
- Banks, Real Estate Developers, Franchise Companies, Real Estate Consultancy/Property Management & Private Practice.

TYPES OF REAL ESTATE COMPANIES

Operating Companies

- Developers/Owners/Managers - creates or acquires the real estate that it ultimately owns and manages.

Service Companies

- Brokerage - employ brokers who work with both buyers and sellers of assets
- Leasing - employ brokers who work with landlords to identify tenants for their vacant space
- Property Managers - provide outsourced management and administrative services to real estate owners
- Diversified - provide any number of real estate services under one organization

Construction Companies

- Plan and implement the construction of a property.

CODE OF ETHICS AND RESPONSIBILITIES FOR REAL ESTATE SERVICE PRACTITIONER

- MAY 6, 2019; Resolution No. 39, Series of 2019
- Pursuant to Section 5(f), Article II and Section 35, Article IV of Republic Act No. 9646, otherwise known as RESA LAW, t

PREAMBLE

The real estate service practice is an honorable profession that has a vital role in the social, political, and economic development and progress of the country with highest regard for the mandates of the law, the board aspires to produce, develop and nurture a corps or technically competent, responsible and respected professionals whose standards of practice shall be nationally and globally competitive.

Towards the end, "The code of Ethics and Responsibilities" is hereby adopted and promulgated to govern the duties and responsibilities of the real estate service practitioners to the general public, the government, the client, the fellow practitioners, and the Accredited and Integrated Professional Organization (AIPO)

ARTICLE I: SCOPE AND COVERAGE

"As used in this code, the Real Estate Service profession shall embrace all acts of the Real Estate Consultants, Appraisers, Assessors, Brokers and Salesperson as provided in the Section 3(g), Article I and Section 27, Article IV of RA No. 9646 as well as of juridical entities engaged in the practice of real estate service in accordance with Section 32, Article IV of RA NO. 9646"

"This code shall provide for the standards that will guide the real estate service practitioners in the lawful, ethical and professional practice of their respective professions."

ARTICLE II: GENERAL PROVISIONS AND DECLARATION OF PRINCIPLES

Section 1: The Real Estate Service Practitioners shall uphold the Constitutions and all the laws of the Republic of the Philippines

Section 2: The practitioners shall exercise the profession with utmost integrity, fidelity, responsibility, sincerity, respect and courtesy.

Section 3: The practitioner shall comply with the policies, rules and regulations promulgated by the Board and the Commission.

Section 4: The practitioner shall uphold the generally accepted local and international technical and ethical standards related to the practice of the profession.

Section 5: The practitioner shall promote the values of camaraderie, unity, solidarity, and synergy in his/her professional relationship.

ARTICLE III: PROFESSIONAL RULES OF ETHICS AND RESPONSIBILITIES

Section 1. To the Government

- a. The Practitioner shall always set a good example as a responsible law-abiding citizen.
- b. The Practitioner shall secure all necessary licenses, permits and authority as may be required by law, ordinance or rules and regulations.
- c. The Practitioner shall pay correct taxes and fees required by the law. They shall not encourage, tolerate or participate, directly or indirectly, in the evasion or illegal reduction of any payment that is due to the government.

Section 2. To the General Public

- a. The Practitioner shall contribute to the promotion of the common good by engaging in social responsibility activities and initiatives.
- b. The Practitioner shall cooperate with the government and the AIPO in protecting the public against fraud, misinterpretation and unethical practices of licensed, unlicensed and unauthorized individuals or parties that adversely affect the integrity of the profession.
- c. The Practitioner shall enhance his/her competency, proficiency and expertise in the practice by keeping abreast of the latest trends and developments in the field of real estate service through the involvement in Continuing Professional Development activities
- d. The Practitioner shall participate in the proactive development real estate service by imparting knowledge, technical training, experiences, studies or research, except those that are deemed classified or confidential which may only be disclosed upon the consent of the parties concerned or lawful order of competent authorities.

Section 3: To the Client

- a. The Practitioner shall be honest and trustworthy and shall observe sincerity, impartiality, fairness and loyalty in his/her professional practice.
- b. The practitioner shall exercise good faith in protecting and promoting the interest of the client vis-a-vis that of the other parties concerned.
- c. The Practitioner shall strictly observe client-practitioner confidentiality.

- d. The Practitioner shall fully and truthfully disclose all pertinent and material facts involved in the engagement
- e. The Practitioner shall charge or collect professional fees which is fair and reasonable in accordance with real estate industry practice.
- f. The Practitioner shall not accept professional fees or valuable consideration from other parties unless with full disclosure and permission from the client.
- g. The Practitioner shall always maintain transparency in all dealings with the clients.

Section 4. To the Fellow Practitioners

- a. The Practitioner, in the exercise of his/her rights and in the performance of his/her duties and responsibilities, shall act with fairness, justice and good faith.
- b. The Practitioner shall respect the dignity, honor, good reputation, and privacy of fellow practitioners.
- c. The Practitioner shall use furnish transactional document(s), only upon the written consent of the practitioner/s from whom such documents originated.

Section 5: To the Accredited and Integrated Professional Organization (AIPO)

- a. The Practitioner shall support the AIPO by actively participating in its programs and activities.
- b. The Practitioner shall abide by the procedures on mediation, conciliation and arbitration of grievances and disputes. A Practitioner who is a party to any such grievances or disputes shall, as far as practicable, exhaust all possible administrative remedies within the context of the AIPO Bylaws before elevating the same to the jurisdiction of the Board and/or Commission, and/or to any court or tribunal.

ARTICLE IV: SPECIFIC DUTIES AND RESPONSIBILITIES

Section 1: The Practitioner shall live up to the tenets enshrined in the Oath of Professional which he/she has sworn to abide by in the practice of the profession.

Section 2: The Practitioner shall provide his/her services in a competent, dedicated and ethical manner compatible with the independence and integrity of the profession.

Section 3: The Practitioner shall faithfully comply with this Code of Ethics and Responsibilities as well as with the separate codes that will hereinafter be issued for each of the real estate services discipline. These separate Codes shall be considered as integral parts of

this Code of Ethics and Responsibilities after their approval and promulgation.

Section 4: The Practitioner shall honor and abide by its commitments with other parties. Provided that such agreement is in consonance with the laws, public order, public policy, morals, good customs and this Code.

ARTICLE V: FINAL PROVISION

- Subject to the requirements of due process, any violation of this Code of Ethics and Responsibilities shall give rise to the imposition of sanctions such as reprimand, suspension or revocation of license and other penalties pursuant to Section 19, Article III and Section 39, Article V of RA No. 9646, whatever is appropriate.

REPUBLIC ACT NO. 9646 REAL ESTATE SERVICE ACT OF THE PHILIPPINES (RESA LAW)

“AN ACT REGULATING THE PRACTICE OF REAL ESTATE SERVICE IN THE PHILIPPINES, CREATING FOR THE PURPOSE A PROFESSIONAL REGULATORY BOARD OF REAL ESTATE SERVICE, APPROPRIATING FUNDS THEREFOR AND OTHER PURPOSES”

ARTICLE I: TITLE, DECLARATION OF POLICY AND DEFINITION TERMS

SECTION 1: TITLE

- This act shall be known as the. “Real Estate Service Act of the Philippines”

SECTION 2: DECLARATION OF POLICY

- The state recognizes the vital role of real estate service practitioners in the social, political, economic development and progress of the country by promoting the real estate market, stimulating economic activity and enhancing government income from real property-based transactions. Hence, it shall develop and nurture through proper and effective regulation and supervision a corps of technically competent, responsible and respected professional real estate service practitioners whose standards of practice and service shall be globally competitive and will promote the growth of the real estate industry.

SECTION 3: DEFINITION OF TERMS

- a. **APPRAISER**- also known as valuer, refers to a person who conducts valuation/appraisal; specifically, one who possesses the necessary qualifications, license, ability and experience to execute or direct the valuation/appraisal of real property.
- b. **ASSESSOR** - refers to an official in the local government unit, who performs appraisal and

assessment of real properties, including plants, equipment, and machineries, essentially for taxation purposes. This definition also includes assistant assessors.

- c. **REAL ESTATE** - refers to the land and all those items which are attached to the land. It is the physical, tangible entity, together with all the additions or improvements on, above or below the ground.
- d. **REAL ESTATE DEVELOPMENT PROJECT** - means the development of land for residential, commercial, industrial, agricultural, institutional or recreational purposes, or any combination of such including, but not limited to, tourist resorts, reclamation projects, building or housing projects, whether for individual or condominium ownership, memorial parks and others of similar nature.
- e. **REAL ESTATE DEVELOPER** - refers to any natural or juridical person engaged in the business of developing real estate development projects for his/her or its own account and offering them for sale or lease.
- f. **REAL PROPERTY** - includes all the rights, interests and benefits related to the ownership of real estate.
- g. “Real estate service practitioner shall refer to and consists of the following:
 - 1. **Real Estate Consultant** - A duly registered and licensed natural person who, for a professional fee, compensation or other valuable consideration, offers or renders professional advice and judgment on (i) the acquisition, enhancement, preservation, utilization or disposition of lands or improvements thereon; (ii) the conception, planning, management, and development of real estate projects
 - 2. **Real Estate Appraiser** - A duly registered and licensed natural person who, for a professional fee, compensation or other valuable consideration, performs or renders, or offers to perform services in estimating and arriving at an opinion of or acts as an expert on real estate values, such as services of which shall be finally rendered by the preparation of the report in acceptable written form (Banks, Private Practice and Real Estate Consultancy / Property Management)
 - 3. **Real Estate Assessor** - A duly registered and licensed natural person who works in a local government unit and performs appraisal and assessment of real properties, including plants, equipment, and machineries, essentially for taxation purposes.
 - 4. **Real Estate Broker** - A duly registered and licensed natural person who, for a professional fee, commission or other valuable consideration, acts as an agent of a party in a real estate transaction to offer, advertise, solicit, list, promote, mediate, negotiate or effect the

meeting of the minds on the sale, purchase, lease or joint venture, or other similar transactions on real estate or any interest therein

5. *Real Estate Salesperson* - A duly accredited natural person who performs service for, and on behalf of a real estate broker who is registered and licensed by the Professional Regulatory Board of Real Estate Service for or in expectation of a share in the commission, professional fee, compensation or other valuable consideration.

ARTICLE II: PROFESSIONAL REGULATORY BOARD OF REAL ESTATE SERVICE

SECTION 4: CREATION AND COMPOSITION OF THE BOARD

- There is hereby created a Professional Regulatory Board of Real Estate Service, hereinafter referred to as the Board, under the supervision and administrative control of the Professional Regulation Commission (PRC), hereinafter referred to as the Commission,
- composed of a chairperson and four (4) members who shall be appointed by the President of the Philippines from the three (3) recommendees chosen by the Commission from a list of five (5) nominees per position submitted by the AIPO of real estate service practitioners.
- Two (2) of the members of the Board shall represent the government assessors and appraiser.

SECTION 5: POWERS AND FUNCTIONS OF THE BOARD

- a. Provide comprehensive policy guidelines for the promotion and development of the real estate industry;
- b. Conduct licensure examinations for the practice of the real estate service profession and prescribe the appropriate syllabi of the subjects for examination
- c. Issue, suspend, revoke or reinstate, after due notice and hearings
- d. Maintain a register of licensed real estate service practitioner
- e. Monitor the condition affecting the practice of real estate service
- f. Adopt a national Code of Ethics and Responsibilities issued by the AIPO
- g. Hear or investigate any violation of RA No. 9646, the IRR and the Code of Ethics and Responsibilities.
- h. Safeguard and protect legitimate and licensed real estate service practitioners.
- i. Prescribe, in cooperation with the CHED or concerned state university or college, the essential requirements as to the curricula and facilities of schools seeking permission to open academic courses or already offering such courses in real estate service.

- j. Promulgate, administer and enforce rules and regulations necessary in carrying out the provisions of RA No. 9646
- k. Supervise and regulate the registration, licensure and practice of real estate service
- l. Assess and fix the rate of reasonable regulatory fees
- m. Administer oath and affirmations
- n. Adopt an official seal of the board
- o. Evaluate periodically the status of real estate service education and profession
- p. Prescribe guidelines and criteria for the CPE program for real estate service practitioners.
- q. Screen, issue and monitor permits to organizations of real estate professionals in the conduct of seminars and accredits such seminars pursuant to the CPE program, as well as the instructor or lecturers therein
- r. Monitor and supervise the activities of the AIPO and other associations of real estate service practitioners
- s. Discharge such other powers, duties and functions as the Commission may deem necessary.

SECTION 6: QUALIFICATIONS OF THE CHAIRPERSON AND MEMBERS OF THE BOARD

"The chairperson and the members of the board shall, at the time of their appointment, possess the ff qualifications.

- a. A citizen and resident of the Philippines
- b. A holder of a bachelor's degree related to real estate
- c. An active licensed practitioner of real estate service for at least ten (10) years prior to his/her appointment
- d. A *bona fide* member in good standing of the accredited and integrated professional organization of real estate service practitioners but not an officer or trustee at the time of his/her appointment.
- e. Neither be a member of the faculty of an institute, school, college or university, nor have any pecuniary interest, direct or indirect, in any institutions or associations where review classes or lectures in preparation for the licensure examination are being offered or conducted.
- f. Of good moral character, must not have been convicted by final judgment by a competent court of criminal offense involving moral turpitude.

SECTION 7: TERM OF OFFICE

- Three (3) years
- First Board: (Automatic registration and issuance of CR's)
 - Chairman - three (3) years
 - Members (2) - two (2) years
 - Members (2) - one (1) year
- May be reappointed for a second term but in no case shall he/she serve continuously for more than six (6) years.
- Any vacancy in the Board shall be filled for the unexpired portion of the member who vacated the position.

SECTION 8: COMPENSATION AND ALLOWANCES OF THE CHAIRPERSON AND MEMBERS OF THE BOARD

- *The chairperson and the members of the board shall receive compensation and allowances comparable to the compensation and allowances received by the chairman and the members of existing professional regulatory boards under the Commissions, as in General Appropriations Act.*

SECTION 9: REMOVAL OF THE CHAIRPERSON AND MEMBERS OF THE BOARD

- *The chairperson or any member of the Board may be suspended or removed by the President of the Philippines, upon the recommendation of the Commission, for neglect of duty; abuse of power; oppression; incompetence etc..*

SECTION 10: SUPERVISION OF THE BOARD, CUSTODIAN OF ITS RECORDS, SECRETARIAT AND SUPPORT SERVICES

- *The Board shall be under the general supervision and administrative control of the Commissions. A.; records of the Board shall be kept by the Commissions. The commission shall designate the secretary of the Board and shall provide secretariat and other support services.*

SECTION 11: ANNUAL REPORT

- *The Board shall, at the close of each calendar year, submit an annual report to the Commission, giving a detailed account of its proceedings and accomplishments during the year.*

ARTICLE III: LICENSURE EXAMINATION AND REGISTRATION

SECTION 12: LICENSURE EXAMINATION

- Every applicant seeking to be registered and licensed as a real estate service practitioner, except a real estate salesperson, shall undergo an examination. Examinations for the practice of real estate service in the Philippines shall be given by the Board at least once every year.

SECTION 13: SCOPE OF EXAMINATION

- a. For Real Estate Consultants
 1. Fundamentals of real estate consulting
 2. Standards and ethics
 3. Consulting tools and techniques, which include project feasibility study and investment measurement tools;
 4. Real estate finance and economics
 5. Real estate consulting and investment analysis
 6. Consulting for specific engagements, which includes consulting for commercial, industrial, recreation and resort and hotel properties, and consulting for government and corporate financial institutions
 7. Land managements systems and real property laws; and
 8. Any other related subjects as may be determined by the Board

b. For Real Estate Appraisers

1. Fundamentals of real estate principles and practices;
2. Standards and Ethics;
3. Theories and principles in appraisal
4. Human and physical geography
5. Methodology of appraisal approaches
6. Valuation procedures and research;
7. Appraisal of machinery and equipment;
8. Practical appraisal mathematics;
9. Appraisal Report Writing
10. Real Estate finance and economics;
11. Case studies
12. Land management systems and real property laws; and
13. Any other related subjects as may be determined by the Board

c. For Real Estate Brokers

1. Fundamentals of property ownership
2. Code of ethics and responsibilities
3. Legal Requirements for real estate service practice
4. Real estate brokerage practice
5. Subdivision development;
6. Condominium concept and other types of real estate holdings
7. Real estate finance and economics
8. Basic principles of ecology
9. Urban and rural land use;
10. Planning and development and zoning;
11. Legal aspect of sale, mortgage and lease;
12. Documentation and registration
13. Real property laws and taxations
14. Any other related subject as may be determined by the Boards.

SECTION 14: QUALIFICATIONS OF APPLICANTS FOR EXAMINATIONS

- a. A citizen of the Philippines
- b. A holder of a relevant bachelor's degree. *As soon as a course leading to a Bachelor's degree in Real Estate Service is implemented by the CHED, the Board shall make this course a requirement for taking the licensure examination.*
- c. Of good moral character; must not have been convicted of any criminal involving moral turpitude.
- d. *For real estate consultants; 10 years experience as a licensed real estate broker, assessor, bank/institutional appraiser, or an employed person performing real property valuation; or at least 5 years experience as a licensed real estate appraiser.*

SECTION 15: RATINGS IN THE EXAMINATIONS

- Average of at least 75% in all subjects;
- No rating below 50% in any subjects

SECTION 16: RELEASE OF THE RESULTS OF THE EXAMINATIONS

- Within ten (10) days from the last day of the examination
- To be published in a major daily newspaper
- Available at the PRC website.

SECTION 17: ISSUANCE OF THE CERTIFICATE OF REGISTRATION AND PROFESSIONAL ID CARD

- Issued to successful examinees
- Valid for three (3) years

SECTION 18: REFUSAL TO REGISTER

- Convicted by a court of competent jurisdiction for any criminal offense involving moral turpitude
- Guilty of immoral or dishonorable conduct after the investigation by the Board
- Psychologically unfit

SECTION 19: REVOCATION OR SUSPENSION OF THE CERTIFICATE OF REGISTRATION AND PROFESSIONAL ID CARD OR CANCELLATION OF SPECIAL/TEMPORARY PERMIT

- A. Procurement of a CR and/or Professional ID Card, or special/temporary permit by fraud or deceit.
- B. Allowing an unqualified person to advertise or to practice the profession by using one's CR or professional ID Card, or special/temporary permit
- C. Unprofessional or unethical conduct
- D. Malpractice or violation of any of the provisions of RA NO 9646, the IRR, and the Code of Ethics and Responsibilities for real estate service practitioner
- E. Engaging in the Practice of the profession during the period of one's suspension.

SECTION 21: REINSTATEMENT, REISSUANCE OR REPLACEMENT OF CERTIFICATE OF REGISTRATION, PROFESSIONAL ID AND SPECIAL/TEMPORARY PERMIT

- After the expiration of two (2) years from the date of revocations;
- Upon application and compliance with the required CPE units;
- Exemption from taking another examination (discretion of the board)
- Board resolution, subject to the approval of the Commission, in granting a petition for reinstatement
- A new CR, professional ID Card or special/temporary permit may be issued to replace lost, destroyed or mutilated ones, subject to Board rules and upon payment of fees

SECTION 23: ISSUANCE OF SPECIAL TEMPORARY PERMIT

- Issued upon application and payment of fees
- Issued to real estate service practitioners from foreign countries whose services are urgently needed

SECTION 24: FOREIGN RECIPROCITY

No foreign real estate service practitioner shall:

1. Be admitted to the licensure examination
2. Be given a CR or a professional ID Card;
3. Be issued a special/temporary permit; or
4. Be entitled to any of the privileges under RA 9646 and its IRR.

Unless his/her country specifically allows Filipino real estate service practitioners to practice within its territorial limits.

ARTICLE IV: PRACTICE OF REAL ESTATE SERVICE

SECTION 25: OATH

Taken by successful examinees, applicants for registration without examination, including accredited salespersons before any member of the Board or any officer of the Commissions duly authorized;

- The Mass oath taking may be initiated by the Board in coordination with the AIPO

SECTION 26: PROFESSIONAL INDEMNITY INSURANCE/CASH OR SURETY BOND

- Shall be no less than Php 20,000.00 without prejudice to the additional requirement of the client
- Renewable every three (3) years

SECTION 27: ACTS CONSTITUTING THE PRACTICE OF REAL ESTATE SERVICE

Any single act or transaction embraced within the provisions of Section 3(g), Rule II.

SECTION 28: EXEMPTIONS FROM THE ACTS CONSTITUTING THE PRACTICE OF REAL ESTATE SERVICE

- Any person, natural or juridical, who shall directly perform himself/herself the acts mentioned in Section 3 with the reference to his/her own property, except real estate developers who are regulated and registered with the *HLURB (PD 957 and BP 220 and their IRR)*
- Any receiver, trustee or assignee in bankruptcy or insolvency proceedings;
- Any person acting pursuant to the order of any court of justice;
- Any person who is a duly constituted attorney-in-fact for purposes of sale, mortgage, lease or exchange, or other similar contracts of real estate, without requiring any form of compensation or remuneration.
- Public officers in the performance of their official duties and functions, except government assessors and appraisers.

SECTION 29: PROHIBITION AGAINST THE UNAUTHORIZED PRACTICE OF REAL ESTATE SERVICE

Any unlicensed person can NOT:

1. Practice or offer to practice real estate service
2. Offer himself/herself as real estate service practitioner;
3. Use the title, word, letter figure or any sign tending to convey the impression that one is real estate service practitioner;
4. Advertise or indicate in any manner that one is qualified to practice the profession; or
5. Be appointed as real property appraiser or assessor in any national government entity or local government unit.

SECTION 31: SUPERVISION OF REAL ESTATE SALESPERSONS.

No examination for salespersons, but accreditation by the Board is required, provided, he/she has;

1. At least two (2) years of college;
2. Twelve credit units in real estate brokerage

Salesperson shall be under the direct supervision and accountability of a real estate broker

They cannot by themselves be signatories in a real estate transaction, unless the real estate broker who has direct supervision and accountability over them is also a signatory thereto;

They cannot, directly, or indirectly, negotiate, mediate, or transact any real estate transaction for an in behalf of a broker without first securing an authorized accreditation as a salesperson for the said broker;

They are not entitled to receive, demand a fee, commission or compensation of any kind from any person, other than his/her supervising broker.

A real estate broker shall be guilty of violating RA 9646 and its IRR for employing salesperson who are not duly accredited by the Board

No violation of this provision shall cause revocation/suspension of a broker's license, unless he/she has actual knowledge of such violation or retains the benefits, profits or proceeds of a transaction wrongfully negotiated by a salesperson.

SECTION 32: CORPORATE PRACTICE OF THE REAL ESTATE SERVICE

SEC-registered partnerships and corporations engaged in the business of real estate services;

- Authorized persons are all duly registered and licensed real estate brokers, appraisers or consultants, as the case may be;
- The partnership and corporation shall regularly submit a list of its real estate service practitioners to the Commission and SEC as part of its annual report;
- At least one (1) licensed real estate brokers for every twenty (20) accredited salespersons.

Divisions or departments of partnerships and corporations engaged in marketing and selling any real estate development project must be headed by full-time registered and licensed real estate brokers.

Branch offices of real estate brokers, appraisers or consultants must be manned by a duly licensed real estate broker, appraiser or consultant, as the case may be.

In case of resignation/termination from employment of a real estate service practitioner, the same shall be reported by the employer to the Board within fifteen (15) days.

Subject to the provisions of the Labor Code, a corporation or partnership may hire the services of licensed real estate brokers, appraisers or consultants on commission basis as independent contractors and not employees of such corporations.

SECTION 33: DISPLAY OF LICENSE IN THE PLACE OF BUSINESS.

Display conspicuously the original and/or certified true copies of CR and professional ID of the real estate service practitioners in the principal place of business.

SECTION 34: ACCREDITATION AND INTEGRATION OF REAL ESTATE SERVICE ASSOCIATIONS

- All real estate service associations shall be integrated into one (1) national organization, recognized by the Board, subject to the approval of the Commission (*PRC Res. 2004-178, s. 2004*)
- A licensed real estate practitioner automatically becomes a member of the AIPO without prejudice to being a member in other associations of real estate service practitioners.
- By resolutions, the Board, upon approval of the Commission, shall prescribe the membership fee as a requirement for the renewal of the professional ID.

SECTION 35: CODE OF ETHICS AND RESPONSIBILITIES OF REAL ESTATE SERVICE PRACTITIONERS.

The Board shall adopt and promulgate the Code of Ethics and Responsibilities which shall be prescribed and issued by the AIPO.

SECTION 36: CONTINUING PROFESSIONAL EDUCATION (CPE) PROGRAM

The Board shall develop, prescribe and promulgate guidelines on CPE upon consultation with the AIPO, affiliated associations of real estate service practitioners and other concerned sectors.

The Board shall create a CPE Council composed of:

- Chairperson - coming from the Board
- Member - from the AIPO
- Member - from the academe

SECTION 38: INDICATION OF THE CERTIFICATE OF REGISTRATION, PROFESSIONAL ID/LICENSE NUMBER, PRIVILEGE TAX RECEIPT (PTR) NUMBER AND AIPO

- Shall be indicated in all documents he/she signs, uses or issues in connection with the practice of his/her profession.

ARTICLE V: PENAL AND FINAL PROVISIONS

SECTION 39: PENAL PROVISIONS

Any violations of RA 9646, including its IRR shall be meted the following penalty/ies:

- Fine: not less than Php 100,000.00
- Imprisonment: not less than two (2) years
- Both such fine and imprisonment upon discretion of the court.
- Twice the penalties if the violation is committed by an unlicensed real estate service practitioner.
- In case the violation is committed by a juridical person, the partner, president, director, or manager who has committed or consented to or knowingly tolerated such violation shall be held directly liable and responsible for the acts as principal or coprincipal with other participants, if any.

FUNDAMENTALS OF PROPERTY OWNERSHIP

LAND

- Includes all plants attached to the ground or in the ground, such as trees and grass.
- Includes minerals beneath the earth's surface, water on or below the earth's surface, and the air above the surface

LEGAL CONCEPTS OF THE LANDS

1. The surface area of earth
2. Everything beneath the surface of the earth extending downward to its center
3. All natural things permanently attached to the earth
4. The air above the surface of the earth extending outward to infinity

PHYSICAL CHARACTERISTICS OF LAND

1. IMMOBILITY - geographical location of a tract of land is fixed and cannot be changed.
2. INDESTRUCTIBILITY - remove a segment of the planet all the way to the core in order to destroy it.
3. HETEROGENEITY - non-homogeneous, since no two parcels of land are exactly the same

REAL ESTATE

- Land and everything above and below the soil
- Things that are not movable such as land and improvements permanently attached to the land
- Includes the definition of land as well as all natural and man-made improvements that are affixed to the land.

REAL ESTATE UNIQUE CHARACTERISTICS

- Unique Location
- Unique Compositions

- Durable
- Finite in Supply
- Useful

PROPERTY

- A thing or things belonging to someone possessions collectively
- The right to the possessions, use, or disposal of something; ownership.
- A legal concept encompassing all the interest, rights and benefits related to ownership (*PVS 1st Ed.*)
- Consists of the rights of ownership, which entitle the owner to a specific interest or interests in what is owned (*PVS 1st Ed*)
- All things which are or may be the object of appropriation are considered either (*Article 414, Civil Code*)
 1. Immovable or real property; or
 2. Movable or personal property.

CLASSIFICATIONS OF PROPERTY

1. REAL PROPERTY - Ownership of real estate and the bundle of rights associated with owning the real estate.
2. PERSONAL PROPERTY - Ownership of anything which is not real estate, and the rights associated with owning the personal property item.

REAL PROPERTY

- Ownership of real estate
- Entails the right of use, control and disposition of the land and its attached objects.
- The combination of rights associated with the ownership of real property

IMMOVABLE PROPERTY

- *REAL BY NATURE* - Cannot be carried from place to place
- *REAL BY INCORPORATION* - Attached to an immovable in a fixed manner to be an integral part thereon
- *REAL BY DESTINATION* - Placed in an immovable for the utility it gives to the activity carried thereon
- *REAL BY ANALOGY* - Classified by express provisions of law.

IMMOVABLE PROPERTY

- Land, buildings, roads and constructions of all kinds adhered to the soil;
- Trees, plants, and growing fruits, while they are attached to the land or form of an integral part of an immovable
- Everything attached to an immovable in a fixed manner, in such a way that it cannot be separated therefrom without breaking the material or deterioration of the object.

- Statues, reliefs, paintings or other objects for use or ornamentations, placed in buildings or on lands by the owner of the immovable in such a manner that it reveals the intention to attach them permanently to the tenements;
- Machinery, receptacles, instruments or implements intended by the owner of the tenement for an industry or works which may be carried on in a building or on a piece of land, and which tend directly to meet the needs of the said industry or works;

PERSONAL PROPERTY

- **BY NATURE** - Likelihood of being consumed when it is used according to their nature
- **BY INTENTION** - possibility of being substituted by another property having the same kind or quality can be either fungible or being replaceable by an equal quality and quantity, either by the nature of the substitute or by agreement of the parties.
- Movables susceptible of appropriation
- Real property which by any special provision of law is considered as personalty (movable assets or things)
- Forces of nature which are brought under control by science
- All things which can be transported from place to place without impairments of the real property to which they are fixed.
- Obligations and actions which have for their object movables or demandable sums
- Shares of stocks of agricultural, commercial and industrial entities, although they may have real estate.

BUNDLE OF RIGHTS

1. Sell
2. Lease
3. Mortgage
4. Build Improvements thereon
5. Sell or Lease Partial Interest
6. Choose to exercise all or none of these rights.

7 RIGHTS OF AN OWNER UNDER ROMAN LAW

1. Jus possidendi - right to possess
2. Jus utendi - the right to use
3. Jus fruendi - the right to the fruits
4. Jus abutendi - The right to consume
5. Jus disponendi - The right to dispose
6. Jus vindicandi - The right to recover
7. Jus accessiones - The right to accessories

OWNERSHIP UNDER CIVIL CODE (CHAPTER 1, TITLE II, CIVIL CODE)

The owner has the right

- To enjoy and dispose of a thing, without other limitations than those established by law

- Of action against the holder and possessor of the thing in order to recover it.
- To exclude any person from the enjoyment and disposal thereof (he may use such force as may be reasonably necessary to repel or prevent an actual or threatened unlawful physical invasion or usurpation of his property)
- To enclose or fence his land or tenements
- Cannot make use thereof in such manner as to injure the rights of a third person.
- The owner of a thing has no right to prohibit the interference of another with the same, if the interference is necessary to avert an imminent danger and the threatened damage, compared to the damage arising to the owner from the interference, is much greater. The owner may demand indemnity from the person benefited from the damage to him.
- No person shall be deprived of his property except by competent authority and for public use and always upon payment of just compensation.
- When any property is condemned or seized by competent authority in the interest of health, safety or security, the owner thereof shall not be entitled to compensation, unless he can show that such condemnation or seizure is unjustified.
- Hidden treasure belongs to the owner of the land, building, or other property on which it is found.
- The ownership of property gives the right by accession to everything which is produced thereby, or which is incorporated or attached thereto, either naturally or artificially.
- To the owner belongs: (Sec 1, Ch 3, Title II)
 - (1) The natural fruits; - the spontaneous products of the soil, and the young and other products of animals.
 - (2) The industrial fruits; - produced by lands of any kind through cultivation or labor.
 - (3) The civil fruits. - the rents of buildings, the price of leases of lands and other property and the amount of perpetual or life annuities or other similar income

PHYSICAL RIGHTS OF OWNERSHIP OF LAND

- **SURFACE RIGHTS:** - the use of the surface of the land. This includes the crust and underlying soil which provide substance for vegetation and support for structures.
- **SUB-SURFACE RIGHTS:** The rights of this group are also referred to as "mineral rights." They describe the rights to natural resources below the surface of the land.
- **AIR RIGHTS:** This group defines the rights of an owner to use and enjoy the air space above the land to infinity.
- **WATER RIGHTS:** Owners who have property that borders a body of water have *riparian rights* or *littoral rights*:

- *RIPARIAN RIGHTS*: the right to use the water for irrigation, swimming, boating, fishing, and for the construction of piers and boathouses.
- *LITTORAL RIGHTS*: similar to riparian rights except that they extend only to the mean high-water mark.

FORMS OF LEGAL INTEREST

- *FEE SIMPLE*
 - Absolute ownership subject only to limitations imposed by the state
 - Most complete form of ownership
- *PARTIAL INTEREST*
 - Rights created by legal divisions of the ownership interest
 - Interest less than fee simple interest
- *AIR RIGHTS*
 - Rights vested in the ownership of all the property at and above a certain horizontal plane
 - Rights of an owner to use and enjoy the air space above the land to infinity
- *SURFACE / SUBSURFACE*
 - Rights in a parcel of real estate that are limited to the surface or to the subsurface.

PROPERTY OWNERSHIP FORMS

1. **SEVERALTY/INDIVIDUAL OWNERSHIP** - One person, natural / juridical, owns the entire bundle of rights.
 - Owner may exercise all incidents of ownership without the consent of any other person or entity
2. **TENANCY** - Bundle of rights is divided
 - Lessee has the right to use and occupy, while lessor has the right to receive rent get the property back after the contract expires
3. **CONDOMINIUM** - Fee simple interest in a unit such as the space between the interior walls, ceilings, and floorings
 - Has pro-rata share of the common areas
4. **COOPERATIVE** - One owns shares in a non profit corporation or cooperative association, which in turn acquires and owns an apartment building as its principal asset.
 - The shareholder acquires a proprietary lease to occupy one of the units
5. **TIME SHARE** - Fee or leasehold interest in a property whose owners or tenants agree to use the property on a periodic, non overlapping basis
 - Partial ownership in which time shares owners purchase the right of use/occupancy for a specific period.
6. **UNDIVIDED INTEREST / TENANCY IN COMMON**
 - Refers to the interest in property owned by tenants whereby each tenant has an equal right to enjoy the entire property.
 - Owner may exercise all incidents of ownership without the consent of any other person or entity

CHARACTERISTICS OF UNDIVIDED INTEREST / TENANCY IN COMMON

- *Two or more owners* - Any number of people may be co-tenants in a single property.
- *Interest individually owned* - All tenants in common have distinct and separable ownership of their respective interest
- *No survivorship* - A deceased co-tenant's estate passes by probate to the decedent's heirs and devisees
- *Identical Rights* - All have equal rights to possess and use the property subject to the rights of the other co-tenants.
- *Electable ownership shares* - Tenants in common determine among themselves what share of the estate each party will own.
- *No unity of time* - It is not necessary for tenants in common to acquire their interests at the same time.

LIMITATIONS ON OWNERSHIP

1. GOVERNMENT POWERS

- a. *ESCHEAT* - a government's right to property if it remains unclaimed for any reason after some period of time.
- b. *TAXATION* - government has the right to tax property, and if these are not paid, the property may be seized
- c. *POLICE POWER* - Property may be condemned or seized in the interest of health, security or safety of the general public and the owner shall not be entitled to compensation unless he can show such seizure is justified (Art. 436)
- d. *EMINENT DOMAIN* - No person shall be deprived of his property except by competent authority and for public use and always upon payment of just compensation. (Art 435.)

2. IMPOSED BY LAW

- a. Legal Easement
- b. Zoning Regulations
- c. Building Code
- d. Rent Control
- e. Urban and Agrarian Reform
- f. Subdivision Regulation

3. IMPOSED BY THE OWNER HIMSELF

- Contractual / Private Restrictions (owners may enter into contracts or arrangements which restrict the use of the land or limit their bundle of rights)
- a. *LEASE* - The owner gives up possession of the property for a temporary time period
- b. *MORTGAGE* - Title to the property is pledged as a security for a loan
- c. *EASEMENT* - A right of way given to another to use the land for a specific purpose
- d. *LICENSE* - A privilege to use the land without exclusive control
- e. *DEED RESTRICTION* - Limitations on the use of real estate through written legal document

- f. **LIENS** - Charge against a property in which property is security for payment of a debt
 - g. **ENCROACHMENT** - Trespass on another's land
 - h. **ADVERSE POSSESSION** - Method of acquiring ownership through possession.
4. IMPOSED BY THE TRANSFEROR OF THE PROPERTY
 5. INHERENT LIMITATIONS

LAND TENURE

LAND TENURE

- The relationship whether legally or customarily defined, among people, as individuals or groups with respect to land.
- Land Tenure is an institution, i.e. rules invented by societies to regulate behaviors

INTERSECTING INTEREST

- **OVERRIDING INTEREST** - When a sovereign power has the powers to allocate or reallocate
- **OVERLAPPING INTEREST** - When several parties are allocated different rights to the same parcels of lands
- **COMPLEMENTARY INTEREST** - When different parties share the same interest in the same parcel of land
- **COMPETING INTEREST** - When different parties contest the same interest in the same parcel.

LAND TENURE CATEGORIES

1. **PRIVATE** - the assignment of rights to a private party who may be an individual, a married couple, a group of people, or a corporate body such as a commercial entity or non-profit organization
2. **COMMUNAL** - a right of commons may exist within a community where each member has a right to use independently the holdings of the community
3. **OPEN ACCESS** - specific rights are not assigned to anyone and no-one can be excluded. *(An important difference between open access and communal systems is that under a communal system non-members of the community are excluded from using the common areas.)*
4. **STATE** - property rights are assigned to some authority in the public sector.

PROPERTY RIGHTS-SIMPLIFIED

- **use rights:** rights to use the land for grazing, growing subsistence crops, gathering minor forestry products, etc.
- **control rights:** rights to make decisions how the land should be used including deciding what crops should be planted, and to benefit financially from the sale of crops, etc.
- **transfer rights:** right to sell or mortgage the land, to convey the land to others through intra-community

reallocations, to transmit the land to heirs through inheritance, and to reallocate use and control rights.

- **Formal property rights:** those that are explicitly acknowledged by the state and which may be protected using legal means.
- **Informal property rights:** are those that lack official recognition and protection. *In some cases, informal property rights are illegal, i.e., held in direct violation of the law.*
- **Extra-legal rights:**, i.e., not against the law, but not recognised by the law. In some countries, customary property held in rural indigenous communities falls into this category.

LAND ADMINISTRATION

- is the way in which the rules of land tenure are applied and made operational. Land administration, whether formal or informal, comprises an extensive range of systems and processes to administer:
 - **LAND RIGHTS:** (1) the allocation of rights in land; (2) the delimitation of boundaries of parcels for which the rights are allocated; (3) the transfer from one party to another through sale, lease, loan, gift or inheritance; (4) the adjudication of doubts and disputes regarding rights and parcel boundaries.

LAND REGISTRATION AUTHORITY

- ACT NO. 496 (*The Land Registration Act*) - Court of Land Registration and the office of the Registers of Deed
- ACT NO 2374 (*An Act Granting the Bulletin Publishing Company, Inc. a Franchise to Construct, Maintain and Operate Radio Broadcasting and Television Stations in the Philippines*) - General Land Registration Office
- REPUBLIC ACT NO.1151 (*An Act Creating the Land Registration Commission, and Authorizing and Appropriating the Necessary Funds Therefor*) - General Land Registration Office
- EXECUTIVE ORDER NO. 649 (*REORGANIZING THE LAND REGISTRATION COMMISSION INTO THE NATIONAL LAND TEXTILES AND DEEDS REGISTRATION ADMINISTRATION AND REGIONALIZING THE OFFICES OF THE REGISTRARS THEREIN*) - National Land Titles and Deeds Registration Administration
- EXECUTIVE ORDER NO.292 (*ADMINISTRATIVE CODE OF 1987 (Title III, Chapter 9)*) - Land Registration Authority

MODES OF ACQUIRING OWNERSHIP

1. **PUBLIC GRANT** - The administrative method of acquiring public lands, such as homestead settlement, free patent and sales patent

2. **PRIVATE GRANT** - Is the voluntary transfer or conveyance of privately owned by an owner, such as by sale or donation.
 - The transfer of title to land by the owner himself or his duly authorized representative to another mutual consent.
3. **INVOLUNTARY ALIENATION OR GRANT** - The process by which a land is taken against the consent of the owner, such as expropriation, proceedings, execution of judgment, tax sales and foreclosure.
 - Does not require the consent or cooperation of the owner of the land, since this is usually carried out against his will.
4. **DESCENT OR DEVISE** - Acquire by virtue inheritance, which requires a degree of relationship.
 - Title to the property is transferred by way of will executed by the Testator.
 - Descent may be acquired by virtue of hereditary succession.
 - Devise, succession need not be in favor of the relative, if appropriate disposition has been made in his favor by the testator in the latter's will.
5. **RECLAMATION** - The filling of submerged land by deliberate act of the Government.
 - Only the government that can assert title to reclaimed land
6. **ACCRETION** - Process by which a riparian land gradually and imperceptively receives addition made by the water to which the land is contiguous. Cannot be invoked where the accretion is caused by action of the bay which is a part of the sea, since such alluvial formation along the seashore is part of the public domain.
7. **PRESCRIPTION** - One acquires ownership and other real rights through the lapse of time in the manner and under the conditions laid down by law.
 - Mode of acquisition of title through continuous, open, adverse possession in the concept of an owner for the period fixed by law.

THE PUBLIC LAND ACT

- Commonwealth Act No. 141
- Enacted on November 7, 1936
- Amended by R.A. 6940 (Ending of Filling on Free Patent) on March 28, 1990
- Earliest law that addressed land rights of Filipino masses.

Any Natural-born Citizen of the Philippines who:

- who is not the owner of more than twelve (12) hectares
- or at least thirty (30) years prior to the effectivity of this amendatory Act, has continuously occupied and cultivated, either by himself or through his predecessors-in-interest a tract or tracts of agricultural public lands subject to disposition
- have paid the real estate tax thereon while the same has not been occupied by any person

MISCELLANEOUS SALES PATENT

- Republic Act No. 730
- June 18, 1952
- Permit the sale without public auction of public lands of the Philippines for residential purposes to qualified applicants.

Given preference to purchase at a private sale:

- any Filipino citizen legal age
- not the owner of a home lot in the Municipality or city in which he resides
- has in good faith established his residence on a parcel of the public land of the Republic of the Philippines which is not needed for the public service
- not more than one thousand square meters at a price to be fixed by the Director of Lands with the approval of the Secretary of Agriculture and Natural Resources.

PRESIDENTIAL DECREE NO. 892

- Enacted on February 16, 1976
- *DISCONTINUANCE OF THE SPANISH MORTGAGE SYSTEM OF REGISTRATION AND OF THE USE OF SPANISH TITLES AS EVIDENCE IN LAND REGISTRATION PROCEEDINGS*
- Section 1: All holders of Spanish titles or grants should apply for registration of their lands under Act No. 496, otherwise known as the Land Registration Act, within six (6) months from the effectivity of this decree. Thereafter, Spanish titles cannot be used as evidence of land ownership in any registration proceedings under the Torrens system

PROPERTY REGISTRATION DECREE

- Presidential Decree No. 1529
- Enacted in June 11, 1978
- *AMENDING AND CODIFYING THE LAWS RELATIVE TO REGISTRATION OF PROPERTY AND FOR OTHER PURPOSES*
- Section 2. *Nature of registration proceedings; jurisdiction of courts.* Judicial proceedings for the registration of lands throughout the Philippines shall be in rem and shall be based on the generally accepted principles underlying the Torrens system.
- Section 3. *Status of other pre-existing land registration system.* The system of registration under the Spanish Mortgage Law is hereby discontinued and all lands recorded under said system which are not yet covered by Torrens title shall be considered as unregistered lands.

Hereafter, all instruments affecting lands originally registered under the Spanish Mortgage Law may be recorded under Section 113 of this Decree, until the land shall have been brought under the operation of the Torrens system.

REPUBLIC ACT NO. 11573

- **AN ACT IMPROVING THE CONFIRMATION PROCESS FOR IMPERFECT LAND TITLES, AMENDING FOR THE PURPOSE**

COMMONWEALTH ACT NO. 141, AS AMENDED, OTHERWISE KNOWN AS ***“THE PUBLIC LAND ACT,” AND PRESIDENTIAL DECREE NO. 1529***, AS AMENDED, OTHERWISE KNOWN AS THE ***“PROPERTY REGISTRATION DECREE”***

- July 16, 2021
- Section 2. *Section 44 of Commonwealth Act No. 141, as amended by Republic Act No. 6940, is hereby further amended to read as follows:*
 - ***“SEC. 44. Any natural-born citizen of the Philippines who is not the owner of more than twelve (12) hectares of land, and who, for at least twenty (20) years prior to the filing of an application for agricultural free patent, has continuously occupied and cultivated, either personally or through a predecessor-in-interest, a tract or tracts of alienable and disposable agricultural public lands subject to disposition, and who shall have paid the real estate tax thereon shall be entitled, under the provisions of this Chapter, to have a free patent issued for such tract or tracts of such land not to exceed twelve (12) hectares.”***
- Section 6. Section 14 of Presidential Decree No. 1529 is hereby amended to read as follows:
 - ***“SECTION 14. Who may apply: The following persons may file at any time, in the proper Regional Trial Court in the province where the land is located, an application for registration of title to land, not exceeding twelve (12) hectares, whether personally or through their duly authorized representatives:***
 - ***“(1) Those who by themselves or through their predecessors-in-interest have been in open, continuous, exclusive and notorious possession and occupation of alienable and disposable lands of the public domain not covered by existing certificates of title or patents under a bona fide claim of ownership for at least twenty (20) years immediately preceding the filing of the application for confirmation of title except when prevented by war or force majeure. They shall be conclusively presumed to have performed all the conditions essential to a Government grant and shall be entitled to a certificate of title under this section.***
 - ***“(2) Those who have acquired ownership of private lands or abandoned riverbeds by right of accession or accretion under the provisions of existing laws.***
 - ***“(3) Those who have acquired ownership of land in any other manner provided for by law.***
- Section 7. ***Proof that the Land is Alienable and Disposable.*** For purposes of judicial confirmation of imperfect titles filed under Presidential Decree No. 1529, a duly signed certification by a duly designated DENR geodetic engineer that the land is part of alienable and disposable agricultural lands of the public domain is sufficient proof that the land is

alienable. Said certification shall be imprinted in the approved survey plan submitted by the applicant in the land registration court.

- The imprinted certification in the plan shall contain a sworn statement by the geodetic engineer that the land is within the alienable and disposable lands of the public domain and shall state the applicable Forestry Administrative Order, DENR Administrative Order, Executive Order, Proclamations and the Land Classification Project Map Number covering the subject land.

URBAN LAND REFORM ACT

- Presidential Decree No. 1517
- June 11, 1978
- Amended by R.A. 6940 in March 28, 1990
- ***PROCLAIMING URBAN LAND REFORM IN THE PHILIPPINES AND PROVIDING FOR THE IMPLEMENTING MACHINERY THEREOF***
- Gave right to tenants to acquire the lands thru the right of first refusal to purchase the same within a reasonable time and at reasonable prices, provided they have resided there for 10 years or more, as such in cases that the tenants are unable to purchase the said lands, Government shall acquire the land and/or improvements thru expropriation
- Section 113: ***Recording of Instruments relating to unregistered lands.*** No deeds, conveyance, mortgage, lease or other voluntary instrument affecting land not registered under the Torrens system shall be valid, except as between the parties thereto, unless such instrument shall have been recorded in the manner herein prescribed in the office of the Register of Deeds for the province or city where the land lies.

ARTICLE XIV OF THE 1972 CONSTITUTION

- Notwithstanding the provisions of Section 14 of this Article, a natural-born citizen of the Philippines who has lost his Philippine citizenship may be a transferee of private land, for use by him as his residence, as the Batasang Pambansa shall provide

BATAS PAMBANSA BLG. 185

- March 16, 1982
- An Act to Implement Section Fifteen of Article Xiv of the Constitution and for Other Purposes
- Should not be used for any purpose other than for residence. ***SIZE:*** maximum area of 1,000 square meters, in the case of urban land, or one (1) hectare in the case of rural land.
- In the case of married couples, one of them may avail of the privilege herein granted; Provided, That if both shall avail of the same, the total area acquired shall not exceed the maximum herein fixed.

ARTICLE XII OF THE 1987 CONSTITUTION

SECTION 2. All lands of the public domain, waters, minerals, coal, petroleum, and other mineral oils, all forces of potential energy, fisheries, forests or timber, wildlife, flora and fauna, and other natural resources are **owned by the State.**

- With the exception of agricultural lands, all other natural resources shall not be alienated. The exploration, development, and utilization of natural resources shall be under the full control and supervision of the State.
- The State may directly undertake such activities, or it may enter into co-production, joint venture, or production-sharing agreements with Filipino citizens, or corporations or associations at least sixty percent (60%) of whose capital is owned by such citizens.
- for a period not exceeding twenty-five years, renewable for not more than twenty-five years

SECTION 3. Alienable lands of the public domain shall be limited to agricultural lands.

- Private corporations or associations may not hold such alienable lands of the public domain except by lease, for a period not exceeding 25 years, renewable for not more than 25 years, and not to exceed 1,000 hectares in area
- Citizens of the Philippines may lease not more than 500 hectares, or acquire not more than 12 hectares thereof by purchase, homestead, or grant.

SECTION 4. The Congress shall, as soon as possible, determine by law the specific limits of forest lands and national parks, marking clearly their boundaries on the ground. Thereafter, such forest lands and national parks shall be conserved and may not be increased nor diminished, except by law.

SECTION 5. The State, subject to the provisions of this Constitution and national development policies and programs, shall protect the rights of indigenous cultural communities to their ancestral lands to ensure their economic, social, and cultural well-being.

- The Congress may provide for the applicability of customary laws governing property rights or relations in determining the ownership and extent of ancestral domain.

SECTION 6. The use of property bears a social function, and all economic agents shall contribute to the common good. Individuals and private groups, including corporations, cooperatives, and similar collective organizations, shall have the right to own, establish, and operate economic enterprises, subject to the duty of the State to promote distributive justice and to intervene when the common good so demands.

SECTION 7. Save in cases of hereditary succession, no private lands shall be transferred or conveyed except to

individuals, corporations, or associations qualified to acquire or hold lands of the public domain.

CITIZENSHIP RETENTION AND RE-ACQUISITION ACT OF 2003

- Republic Act No. 9225
- Enacted in August 29, 2003
- AN ACT MAKING THE CITIZENSHIP OF PHILIPPINE CITIZENS WHO ACQUIRE FOREIGN CITIZENSHIP PERMANENT.

WHO ARE NATURAL BORN FILIPINOS?

Natural-born citizens are those who are citizens of the Philippines from birth without having to perform any act to acquire or perfect their Philippine citizenship.

1. Those who are citizens of the Philippines at the time of the adoption of this Constitution;
2. Those whose fathers or mothers are citizens of the Philippines;
3. Those born before January 17, 1973, of Filipino mothers, who elect Philippine citizenship upon reaching the age of majority; and
4. Those who are naturalized in accordance with law

FOREIGN INVESTMENTS ACT OF 1991

- Republic Act No. 7042
- Enacted June 13, 1991
- Size: Maximum of 5,000 sq meters for urban land and Maximum of 3 hectares for rural land.
- Under Section 4 of Rule XII of the Implementing Rules and Regulations of RA 704 as amended by RA 8179, a transferee who has already acquired urban land shall be disqualified from acquiring rural land and vice versa.

ARTICLE XIII OF THE 1987 CONSTITUTION

Section 4. The State shall, by law, undertake an agrarian reform program founded on the right of farmers and regular farmworkers who are landless, to own directly or collectively the lands they till or, in the case of other farmworkers, to receive a just share of the fruits thereof. To this end, the State shall encourage and undertake the just distribution of all agricultural lands, subject to such priorities and reasonable retention limits as the Congress may prescribe, taking into account ecological, developmental, or equity considerations, and subject to the payment of just compensation.

REPUBLIC ACT NO. 11647

- March 2, 2022
- AN ACT PROMOTING FOREIGN INVESTMENTS, AMENDING THEREBY REPUBLIC ACT NO. 7042, OTHERWISE KNOWN AS THE "FOREIGN INVESTMENTS ACT OF 1991," AS AMENDED, AND FOR OTHER PURPOSES

COMPREHENSIVE AGRARIAN REFORM LAW OF 1988

- REPUBLIC ACT NO. 6657
- June 10, 1988
- AN ACT INSTITUTING A COMPREHENSIVE AGRARIAN REFORM PROGRAM TO PROMOTE SOCIAL JUSTICE AND INDUSTRIALIZATION, PROVIDING THE MECHANISM FOR ITS IMPLEMENTATION, AND FOR OTHER PURPOSES
- a more equitable distribution and ownership of land, with due regard to the rights of landowners to just compensation and to the ecological needs of the nation, shall be undertaken to provide farmers and farmworkers with the opportunity to enhance their dignity and improve the quality of their lives through greater productivity of agricultural lands.

ARTICLE XIII OF 1987 CONSTITUTION

SECTION 9. The State shall, by law, and for the common good, undertake, in cooperation with the public sector, a continuing program of urban land reform and housing which will make available at affordable cost decent housing and basic services to underprivileged and homeless citizens in urban centers and resettlements areas. It shall also promote adequate employment opportunities to such citizens. In the implementation of such a program the State shall respect the rights of small property owners.

SECTION 10. Urban or rural poor dwellers shall not be evicted nor their dwellings demolished, except in accordance with law and in a just and humane manner.

- No resettlement of urban or rural dwellers shall be undertaken without adequate consultation with them and the communities where they are to be relocated.

URBAN DEVELOPMENT AND HOUSING ACT OF 1992

- REPUBLIC ACT NO. 7279, March 24, 1992
- AN ACT TO PROVIDE FOR A COMPREHENSIVE AND CONTINUING URBAN DEVELOPMENT AND HOUSING PROGRAM, ESTABLISH THE MECHANISM FOR ITS IMPLEMENTATION, AND FOR OTHER PURPOSES

FREE PATENT ACT

- REPUBLIC ACT No. 10023
- March 9, 2010
- AN ACT AUTHORIZING THE ISSUANCE OF FREE PATENTS TO RESIDENTIAL LANDS

Section 1. Qualifications. - Any Filipino citizen who is an actual occupant of a residential land may apply for a Free Patent Title under this Act: Provided; That in highly urbanized cities, the land should not exceed two hundred (200) square meters; in other cities, it should not exceed five hundred (500) square meters; in first class and second class municipalities, it should not

exceed seven hundred fifty (750) square meters; and in all other municipalities, it should not exceed one thousand (1,000) square meters; Provided, further, That the land applied for is not needed for public service and/or public use.

AGRICULTURAL FREE PATENT REFORM ACT

- Republic Act No. 11231
- February 22, 2019
- An Act Removing the Restrictions Imposed on the Registration, Acquisition, Encumbrance, Alienation, Transfer and Conveyance of Land Covered by Free Patents Under Sections 118, 119 and 121 of Commonwealth Act No. 141, Otherwise Known as "The Public Land Act", as Amended

Section 2. It is the declared policy of the State to remove the restrictions on free patents to allow the efficient and effective utilization of these lands in order to contribute to wealth creation, entrepreneurship, and economic development.

CONDOMINIUM CONCEPTS

CONDOMINIUM TRACEBACKS

- Early Rome - solved the housing shortage in walled cities of Europe during medieval times
- 1900s - reached South America before arriving in America
- 1961 - National Housing Act (US) recognized condominiums legally
- 1970's - Condomania

CONDOMINIUM

- Apartment style units stacked on top of and/ or beside one another and sold to individual owners.
- Based on the individual ownership of space in a multi-unit building, be it apartment, store, office or other real property
- Vertical subdivision on a parcel of land and a multi-storey building structure therein. Horizontal ownership

CONDOMINIUM OWNERSHIP

- A system of ownership in a multi-unit development allowing individual ownership of some areas and common ownership of all other areas.
- Combines ownership of a fee simple interest in the airspace within a unit with ownership of an undivided share, as a tenant in common, of the entire property's common elements.
- A purchaser receives title to a specified unit together with a membership in a community association, and an undivided interest in and rights to the use of a common area in which the purchaser holds the specified unit in fee simple, that is subject to declare restrictive covenants and conditions when you purchase a condominium

- *You're actually purchasing the interior of a specific unit as well as a proportionate interest in the common areas – pool, tennis courts, grounds, hallways, laundry room and so on.*

CONDOMINIUM COMMON ELEMENTS INCLUDE

- Structural components of the building, such as exterior windows, roof and foundations
- Physical operating systems supporting all units such as plumbing, power, communications installations, and central air conditioning.
- Lawns and recreational facilities, such as swimming pools, clubhouses, tennis courts and golf courses
- Building and ground areas used non-exclusively, such as stairways, elevators, hallways, and laundry rooms.

REPUBLIC ACT NO. 4726 (THE CONDOMINIUM ACT)

- AN ACT TO DEFINE CONDOMINIUM, ESTABLISH REQUIREMENTS FOR ITS CREATION, AND GOVERN ITS INCIDENTS
- JUNE 18, 1966

Section 2: A condominium is an interest in real property consisting of 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.

Section 3: DEFINITION OF TERMS

"Condominium" means a condominium as defined in the next preceding section.

"Unit" means 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 or parts of floors) in a building or buildings and such accessories as may be appended thereto.

"Project" means the entire parcel of real property divided or to be divided in condominiums, including all structures thereon,

"Common areas" means the entire project excepting all units separately granted or held or reserved.

"To divide" real property means to divide the ownership thereof or other interest therein by conveying one or more condominiums therein but less than the whole thereof.

- **CONDOMINIUM CORPORATION** "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 (hereinafter known as the "condominium corporation") in which the holders of separate interest shall automatically be members or shareholders, to the exclusion of others, in

proportion to the appurtenant interest of their respective units in the common areas."

Section 4: An enabling or master deed which shall contain, among others, the following:

- (a) Description of the land on which the building or buildings and improvements are or are to be located;
- (b) Description of the building or buildings, stating the number of stories and basements, the number of units and their accessories, if any;
- (c) Description of the common areas and facilities;
- (d) A statement of the exact nature of the interest acquired or to be acquired by the purchaser in the separate units and in the common areas of the condominium project. Where title to or the appurtenant interests in the common areas is or is to be held by a condominium corporation, a statement to this effect shall be included;
- (e) Statement of the purposes for which the building or buildings and each of the units are intended or restricted as to use;

(f) A certificate of the registered owner of the property, if he is other than those executing the master deed, as well as of all registered holders of any lien or encumbrance on the property, that they consent to the registration of the deed;

(g) The following plans shall be appended to the deed as integral parts thereof:

(1) A survey plan of the land included in the project, unless a survey plan of the same property had previously been filed in said office;

(2) A diagrammatic floor plan of the building or buildings in the project, in sufficient detail to identify each unit, its relative location and approximate dimensions;

(h) Any reasonable restriction not contrary to law, morals or public policy regarding the right of any condominium owner to alienate or dispose of his condominium

Section 6: Unless otherwise expressly provided in the enabling or master deed or the declaration of restrictions, the incidents of a condominium grant are as follows:

(a) The boundary of the unit granted are the interior surfaces of the perimeter walls, floors, ceilings, windows and doors thereof.

(b) There shall pass with the unit, as an appurtenance thereof, an exclusive easement for the use of the air space encompassed by the boundaries of the unit as it exists at any particular time and as the unit may lawfully be altered or reconstructed from time to time.

(c) Unless otherwise provided, the common areas are held in common by the holders of units, in equal shares, one for each unit.

(d) A non-exclusive easement for ingress, egress and support through the common areas is

appurtenant to each unit and the common areas are subject to such easements.

(e) Each condominium owner shall have the exclusive right to paint, repaint, tile, wax, paper or otherwise refinish and decorate the inner surfaces of the walls, ceilings, floors, windows and doors bounding his own unit.

(f) Each condominium owner shall have the exclusive right to mortgage, pledge or encumber his condominium and to have the same appraised independently of the other condominiums but any obligation incurred by such condominium owner is personal to him.

(g) Each condominium owner has also the absolute right to sell or dispose of his condominium unless the master deed contains a requirement that the property be first offered to the condominium owners within a reasonable period of time before the same is offered to outside parties;

FORMATION OF A CONDOMINIUM

Condominium project requires:

- The public recording of a master deed or declaration of intent
- The formation of an association of unit owners
- A set of by laws
- Unit deeds

MASTER DEED OR DECLARATION

Is a recorded statement of the owner's intent to transform a site into a condominium project or to convert an existing building to condominiums.

It contains a statement of the purpose for which the building and each of the units are intended, including restrictions, if any, as to their use.

It describes the site, buildings, and common areas which should include floor plans showing the layout, location, number and dimensions of the individual units.

It designated the proportion to which each unit represents to the entire project which determines the unit's share of the monthly maintenance fee and the number of votes within the association.

DECLARATION PROVISIONS

The condominium declaration may be required to include:

A legal description and/or name of the property
A survey of land, common elements, and all units.

Plat maps of land and building, and floor plans with identifiers for all condominium units.

Provisions for common area easements.

An identification of each unit's share of the ownership in the overall property.

Organization plans for creation of the condominium association, including its bylaws

Voting rights, membership status and liability for expenses of individual owners

Covenants and restrictions regarding use and transfer of units.

ASSOCIATION OF UNIT OWNERS

The master deed must contain the name and description of the association, responsible for the operation of the condominiums.

The governing body can be in the form of a corporation, trust, or association, disclosing provisions for annual meetings and duly elected officers, trustees, and directors.

BYLAWS

The association must have a complete set of bylaws which must provide for the following:

- The method of providing for the necessary work of maintenance, repair and replacement of the common areas and facilities.
- The manner of collecting unit owners' share of the common expenses.
- The procedure for hiring personnel, such as a manager.
- The method of adopting and amending administrative rules and regulations governing the details of the operation and use of the common areas.
- Any restrictions and requirements regarding the use and maintenance of the units and the common areas and facilities.

UNIT DEEDS

Title to individual units is conveyed by a unit deed.

A facsimile of the purchase and sale agreement, and unit deed must be recorded with the master deed.