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HOUSING AND LAND USE REGULATORY BOARD

HLRB ADMINISTRATIVE ORDER NO. 09  
Series of 1994 ( 02 June )

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JUN 9 1994*

TO : All Concerned  
FROM : ERNESTO C. MENDIOLA  
Commissioner and  
Chief Executive Officer  
SUBJECT : RULES AND REGULATIONS ON BULK-BUYING

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Quoted hereunder is the full text of Resolution No. R-546, Series of 1994, Adopting the Rules and Regulations on Bulk Buying, approved by the Board on 18 May 1994 and which is hereby promulgated:

"WHEREAS, the Board has encountered instances of bulk buying where a single person or entity has purchased more than one saleable lot or unit within an HLRB-approved subdivision for the purpose of re-selling the same with or without the alteration of the approved plans;

WHEREAS, there is a need to protect the buying public from this practice as mandated under PD 957 and other related laws

WHEREAS, a uniform basis is required for the Board's decision and action related to bulk buying,

WHEREFORE, BE IT RESOLVED AS IT IS HEREBY RESOLVED to adopt the following :

Section 1. Definition:

Bulk buying refers to the purchase by a person, natural or juridical, of more than one saleable lot or unit within an HLRB-approved subdivision for the purpose of re-selling the same with or without introducing alteration on the approved plan.

Section 2. Bulk Buying as an Exempt Transaction

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A bulk buyer of lots who disposes of the same lots through sale without any alteration as defined under PD 957 shall be considered subsequent sale under exempt transactions (Sec. 7 of PD 957) and therefore shall no longer be required to secure a license to sell from HLRB.

**Section 3. Bulk Buying and Subsequent Sale of the same Lots with Introduction/Construction of Housing Units or Structures**

**a. Bulk Buying of Lots and Subsequent Introduction of Housing Units or Structures on the Land**

A bulk buyer of lots who constructs housing or other structures on the same lots without further subdividing the individually titled lots and without introducing any changes on the roads, water system, power facilities, drainage and other facilities reflected in the approved subdivision plan provided it conforms with the allowed density as per approved subdivision plan, shall be required to secure a locational clearance from HLRB or its depute. The liability for the completion/maintenance of roads and other facilities remains with the original owner/developer.

A bulk buyer constructing housing units/structures on the same lots resulting in increased density as provided for in the subdivision plan shall show proof of : 1 ) consent of the owner/developer of the subdivision and the majority of the lot buyers or the Home Owners Association (HOA); and 2 ) sufficiency of existing facilities as required under existig standards, rules and regulations.

**b. Bulk Buying of Lots with Alteration**

A bulk buyer who introduces any alteration on the lots thereby resulting in the re-subdivision of lots and issuance of new titles shall be considered as land owner/developer of a new subdivision project, separate and distinct from the original subdivision project and shall be subject to all the requirements of PD 957, its implementing rules and regulations and related laws including but not limited to the requirement of a right-of-way.

If the project is dependent on the facilities, amenities of the existing/original subdivision and

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if such facilities and amenities are not yet turned over or donated to the local government unit concerned, a bulk buyer shall be required to submit proof of approval of his project from the original subdivision owner, the majority of the lot buyers therein or the Home Owners Association (HOA), if any."

For your information and guidance.

*Ernesto*  
ERNESTO C. MENDIOLA

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