

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 therefor at the latter's expense in a newspaper of general circulation stating, 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.

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- 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

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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.

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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.

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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 therefor. 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.

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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.

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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.

