

Office of the President  
HOUSING AND URBAN DEVELOPMENT COORDINATING COUNCIL

**IMPLEMENTING GUIDELINES FOR THE ACQUISITION, VALUATION,  
DISPOSITION AND UTILIZATION OF LANDS FOR SOCIALIZED HOUSING**

SECTION 1. Objectives. - These guidelines are intended to provide instructions and guidance to the Local Government Units, National Housing Authority, Department of Finance, Department of Environment and Natural Resources and other concerned agencies in the acquisition, valuation, disposition and utilization of lands for socialized housing pursuant to Republic Act No. 7279, otherwise known as the Urban Development and Housing Act of 1992.

SECTION 2. Duties and Responsibilities of Concerned Agencies. - The following agencies shall be involved in the acquisition, valuation and disposition of lands for socialized housing:

1. Local Government Units (LGU's), in coordination with NHA shall formulate and make available various schemes for the disposition of lands, other than government-owned, within their respective localities for socialized housing purposes;
2. National Housing Authority, in coordination with the LGUs and other concerned agencies shall formulate and make available various schemes for the disposition of national government-owned lands for socialized housing purposes;
3. Bureau of Local Government Finance (Department of Finance) shall implement the guidelines issued pursuant to Section 13 of the Act and arbitrate on land valuation for socialized housing.
4. Department of Environment and Natural Resources shall, in coordination with the LGUs, NHA and DOF, expedite the disposition of government lands in urban and urbanizable areas for purposes of the Act.

SECTION 3. Definition of Terms. -

**a. Alienable lands of the public domain** refer to any of those which are not yet covered by any claim of ownership, or have been allocated or acquired.

**b. Carrying costs** refer to operations and maintenance expenses incurred by the National Housing Authority (NHA), and includes financing charges.

**c. Community Mortgage Program** refers to an innovative concept of low-income home financing program of the National - Home Mortgage Finance Corporation (NHMFC) whereby an undivided tract of land may be acquired by several beneficiaries through community ownership.

**d. Expropriation** refers to the exercise of the power of eminent domain wherein the government compulsorily acquires private properties for public use upon payment of just compensation.

**e. Idle lands** refers to non-agricultural lands in urban and urbanizable areas on which no improvements has been made by the owner, as certified by the provincial and city assessor or municipal assessor in cases within Metro Manila.

**Idle government lands** refer to: non-agricultural lands in urban and urbanizable areas on which no improvement has been made by the government including: (1) patrimonial properties of the state; (2) public properties; and (3) properties foreclosed by the government financing institutions (GFIs) and government-owned and controlled corporations (GOCCs), as certified by the provincial or city or municipal assessor in cases within Metro Manila.

**f. Land assembly/consolidation** refers to the acquisition of lots of varying ownership through purchase or expropriation for the purpose of planned and rational development and socialized housing programs without individual property boundary restrictions.

**g. Land banking** refers to the acquisition of land at values based on existing use in advance of actual need to promote

planned development and socialized housing programs.

**h. Negotiated purchase** refers to the transmission of property from one person to another by agreement among the parties.

**i. Small property owners** refers to those whose only real property consist of residential lands not exceeding three hundred square meters (300 sq.m.) in highly urbanized cities and eight hundred square meters (800 sq.m.) in other urban^ areas.

**j. Unregistered and abandoned lands**

refers to lands in urban and urbanizable areas which are not registered with the Register of Deeds, or with the city or municipal assessor's office concerned, or which are uninhabited by the owner and have not been developed or devoted for any useful purpose, or appears unutilized for a period of three (3) consecutive years immediately prior to the issuance and receipt or publication of notice of acquisition by the Government as provided under the Act.

It does not include land which has been abandoned by reason of force majeure or any other fortuitous events; provided that prior to such event, such land was previously used for some useful or economic purpose.

**SECTION 4. Priorities in the Acquisition of Lands.** - The Local Government Units (LGUs), NHA and DENR shall prioritize acquisition of lands in the following order:

1. idle government lands;
2. those owned by the Government of or any of its subdivisions, instrumentalities, or agencies, including government-owned or controlled corporations and their subsidiaries;
3. alienable lands of the public domain;
4. unregistered or abandoned and idle lands;
5. those within the declared Areas for Priority Development, Zonal Improvement Project sites and Slum Improvement and Resettlement Program sites which have

not yet been acquired;

6. Bagong Lipunan Improvement of Sites and Services sites which have not yet been acquired;

7. abandoned privately-owned lands;

8. idle privately-owned lands.

**SECTION 5. Modes of Land Acquisition.** - The modes of acquiring lands for purposes of these guidelines shall include, among others:

- a. donation to the government;
- b. land swapping;
- c. community mortgage;
- d. land assembly;
- e. land banking;
- f. joint-venture agreement;
- g. negotiated purchase;
- h. expropriation;
- i. transfer to the NHA;
- j. by presidential proclamation.

Expropriation shall be resorted to only when other modes of acquisition have been exhausted. All idle lands in urban and urbanizable areas shall be expropriated, if after the lapse of one (1) year following receipt of notice of acquisition, the owner fails to introduce improvements, with the following exemptions:

1. in the case of force majeure and other fortuitous events;
2. residential lands owned by property owners;
3. where ownership of the land is subject of a pending litigation;
4. abandoned property, which shall be reverted and escheated to the State in a proceeding analogous to the procedure laid down in Rule 91 of the Rules of Court.

For the purpose of socialized housing, government-owned and foreclosed properties shall be acquired by the LGUs or by the NHA primarily through negotiated purchase.

**SECTION 6. Valuation of Lands for Socialized Housing.** - The valuation of Identified Socialized Housing sites shall be governed by the guidelines issued by the Department of Finance on the same.

A Committee on Arbitration on Land Valuation shall be created to be composed of:

- a. the Executive Director of the Bureau of Local Government Finance/DOF or his duly authorized representative as Chairman;

and as members:

- b. the Chairman of the Technical Committee on Real Property Valuation of the Bureau of Internal Revenue or his duly authorized representative;
- c. a private sector representative who is duly accredited by the BIR.

The aforementioned committee shall be tasked to resolve issues/conflicts that may arise between affected landowners and beneficiaries on valuation. If however, upon arbitration, an agreement still has not been reached, the case shall be elevated to the Secretary of Justice.

**SECTION 7. Utilization and Disposition of Lands for Socialized Housing.** - The following rules and regulations shall govern the utilization and disposition of lands for socialized housing;

1. Lands shall be disposed only to qualified Program Beneficiaries as may be determined pursuant to Section 16 (Eligibility Criteria for Socialized Housing Program Beneficiaries) of the Act:

- (a) must be a Filipino citizen;
- (b) must be an underprivileged and homeless citizen, as defined in Section 3 of the Act;
- (c) must not own any real property whether in the urban or rural areas; and

- (d) must not be a professional squatter or member of squatting syndicates.

Such other eligibility criteria as may be assigned by implementing agencies.

2. Qualified beneficiaries who are actual occupants of the land shall be given the right of first refusal.
3. No land for socialized housing, including improvements thereon, shall be sold, alienated, conveyed, encumbered or leased by any beneficiary of this Program except to qualified Program Beneficiaries.

Should the beneficiary unlawfully sell, transfer or otherwise dispose of his lot or any right thereon, the transaction shall be null and void. He shall also lose his right to the land, forfeit the total amortization paid thereon, and shall be barred from the benefits under RA 7279 for a period of ten (10) years from the date of violation. Likewise, the beneficiary shall abide by the regulations of the respective Housing Program under which, the purpose of the Act is being implemented.

The abovesited restrictions on the disposition of lots and housing units for socialized housing shall not apply to those lots and housing units awarded by NHA and other entities before the effectivity of RA 7279.

4. For national government-owned lands developed for socialized housing, the NHA, as a consequence of incentives granted to it under Section 13, Article V of the Act, shall limit its transfer prices of the lots and housing units therein at their acquisition and development cost, to include carrying costs.
5. For socialized housing purposes, the following alternative schemes for disposition of identified socialized housing lots may be adopted to guide the NHA, DENR and the LGUs:
  - a. transfer of ownership in fee simple;
  - b. extended lease;
  - c. public rental housing

However, the abovementioned schemes shall in no way limit the NHA and LGUs in the formulation and adoption of such other schemes deemed most expedient in carrying out the purpose of the Act.

SECTION 8. **Amendment Clause.** - The Housing and Urban Development Coordinating Council (HUDCC) may issue additional/amendatory guidelines to supplement its Implementing Guidelines.

SECTION 9. **Separability Clause.** - The provision of this implementing Guidelines are hereby declared separable, and in the event that any such provisions are declared null and void, the validity of all other provisions shall not be affected thereby.

SECTION 10. **Effectivity.** - This Implementing Guidelines shall take effect immediately upon approval.

APPROVED this 20th day of May, 1993, Makatl. Metro Manila, Philippines.

(Sgd). DIONISIO C. DE LA SERNA  
Chairman Housing and Urban  
Development Coordinating Council