
Acquisition of Property in the Philippines: Problems, Issues and Possible Solutions

Arturo G. Corpuz

September 2009

Introduction

- Private sector perspective
- Acquisition problems → disposition constraints
- Property: public and private-owned land.
 - Property rights are meaningful only to the extent that land can be utilized and value extracted from it.
 - Property rights reflect the value that the market places on land by virtue of its productive potential.
- Problems and solutions/approaches: technical, legal, institutional.

Land Acquisition Problems

Types

- **Ownership** → **Who to acquire from?**
- **Documentation / Process** → **Obstacles during acquisition process**
- **Zoning / Land use regulation** → **Inconsistency between perceived property value and “as-is” value**
- **Possession / Access** → **Obstacles to realizing value of property**

Ownership

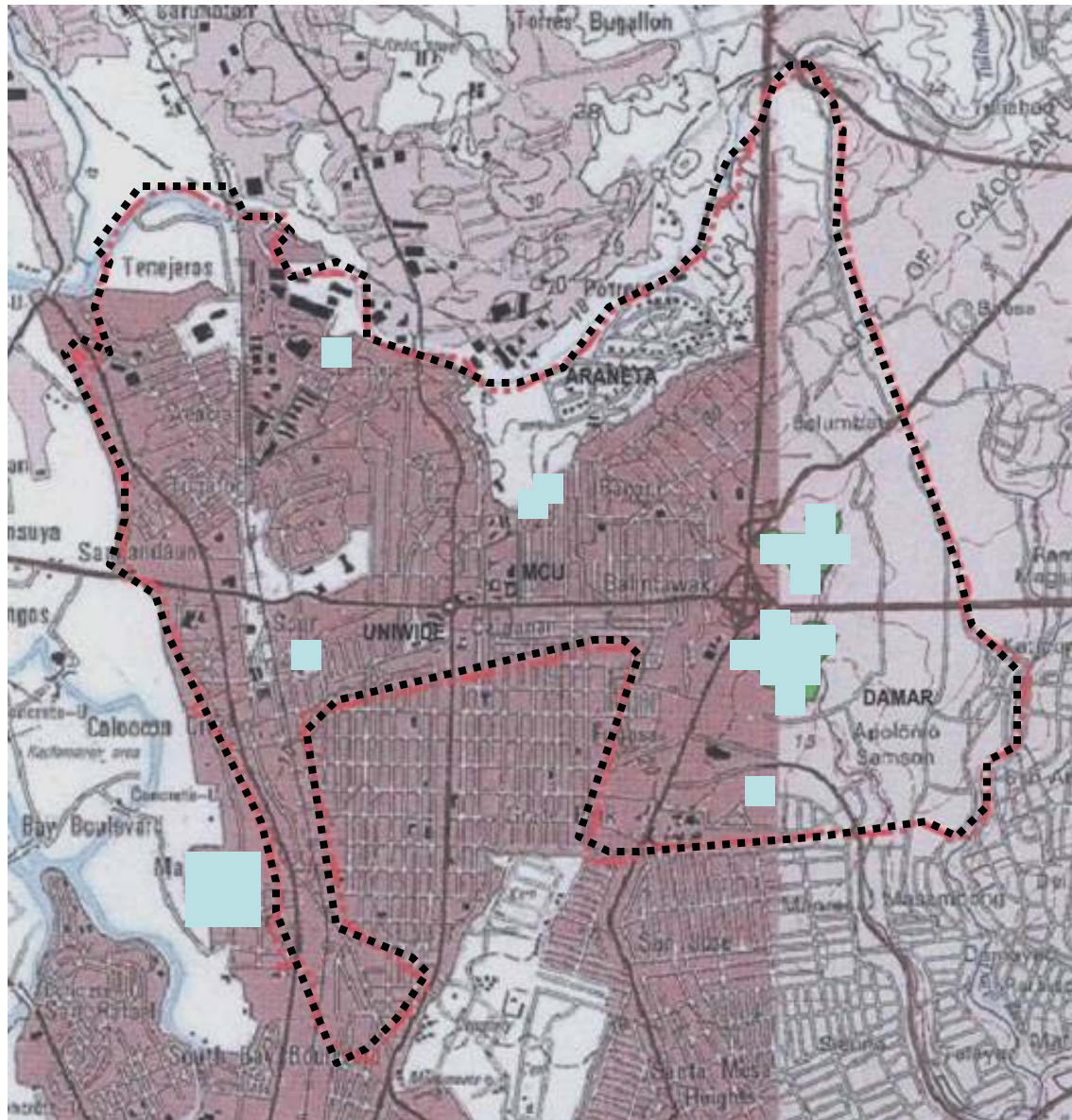
- Title overlaps
- Duplicate/multiple titles
- Spurious titles, survey plans, tax declarations
- Adverse claims, pending litigation
- Unclear process of private ownership of reclaimed lands

Ownership

- Title overlaps
- Duplicate/ multiple titles

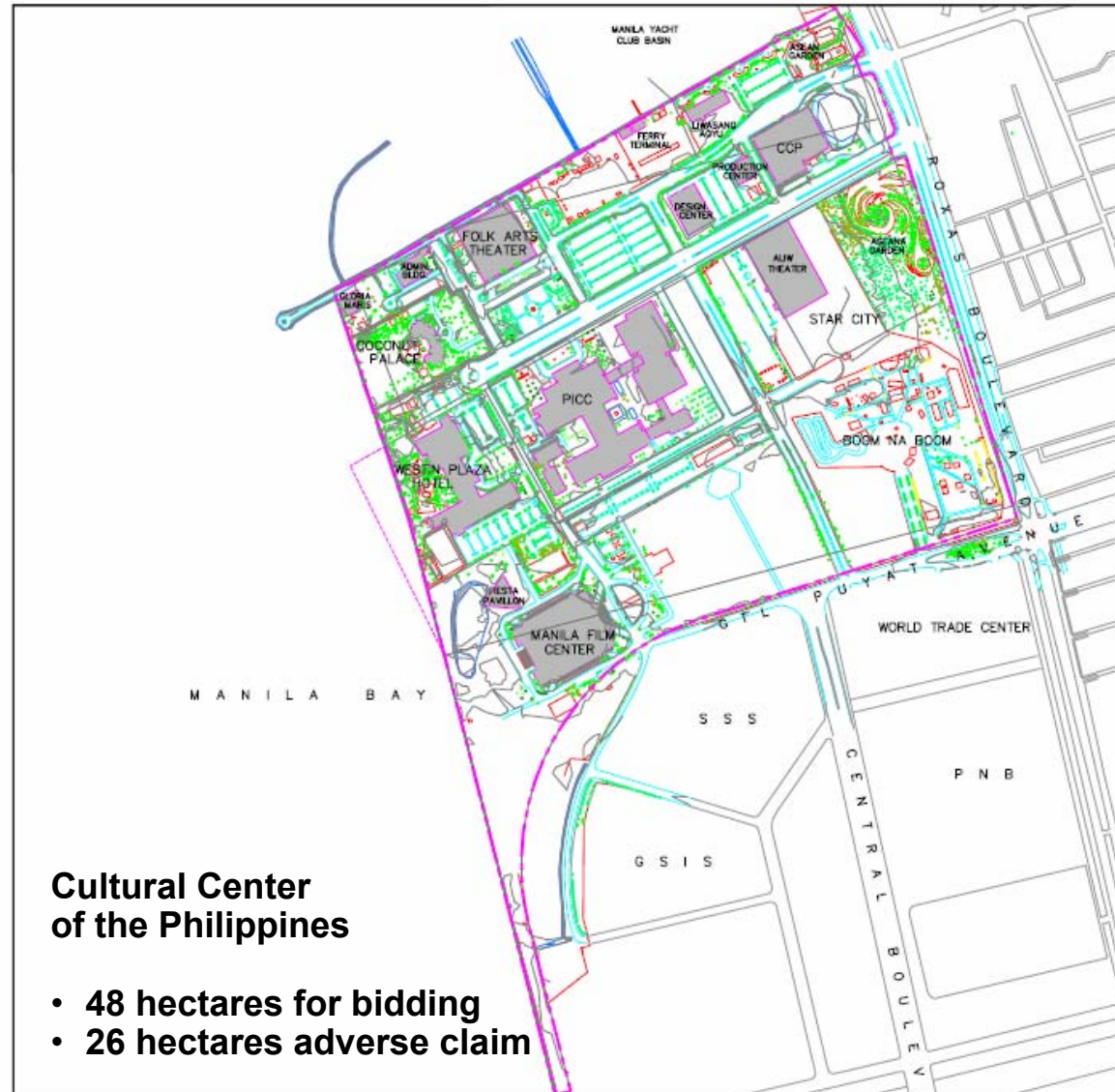
E.g. Maysilo Estate

- Covering 1,660 hectares located in Malabon, Caloocan, and QC
- 5 OCTs issued for the entire Maysilo Estate; OCT 994 covers largest land area (1,342 has)
- Two versions of OCT 994 issued: 3 May 1917 and 19 April 1917
- Supreme Court upheld validity of April OCT
- CA Decisions and DOJ/Senate Reports ruled that April OCT is spurious and May OCT is legitimate
- Supreme Court recently ruled May OCT is legitimate



Ownership

- Adverse claims
- Pending litigation



Ownership

- **Unclear process of private ownership of reclaimed lands**

Cebu City SRP

- » A 295-hectare reclamation (only 210 ha. net area, titled)
- » Special Economic Zone (SEZ, PEZA-registered)
- » Y12,315 billion ODA (JBIC) (PhP5.05 billion or \$104 million)
- » Built to complement the Cebu South Road, a 12 km 4-lane highway designed to facilitate traffic in the central part of the eastern coast of Cebu island

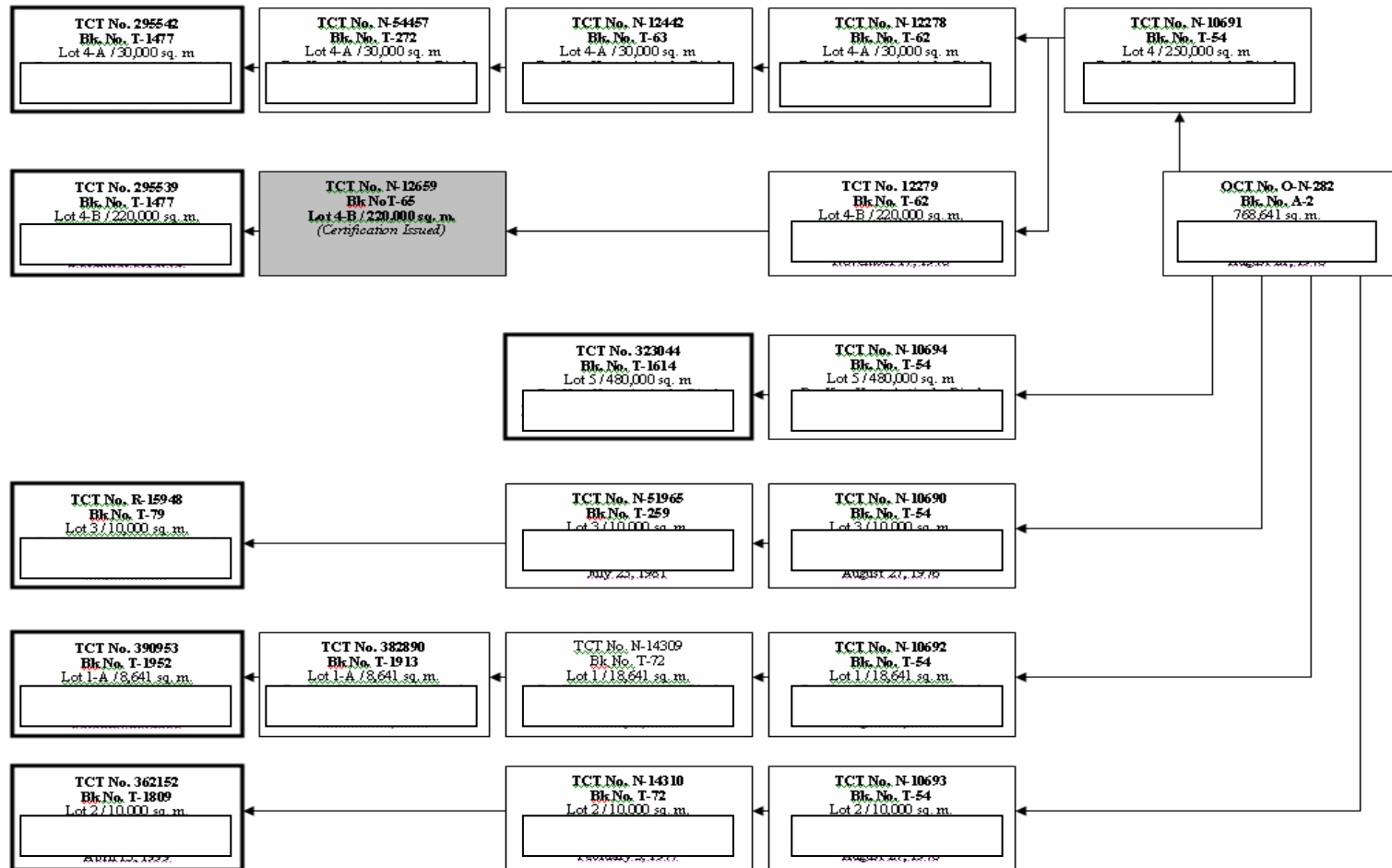


Documentation/Process

- Inaccurate TCTs, lot descriptions
- Difficulty in getting public documents (e.g. for parcel verification, traceback)
- Duplicate government functions (e.g. admin vs judicial titling)
- LGU boundary dispute
- Uncertain/inconsistent bidding processes and rules
- Corruption

Documentation/Process

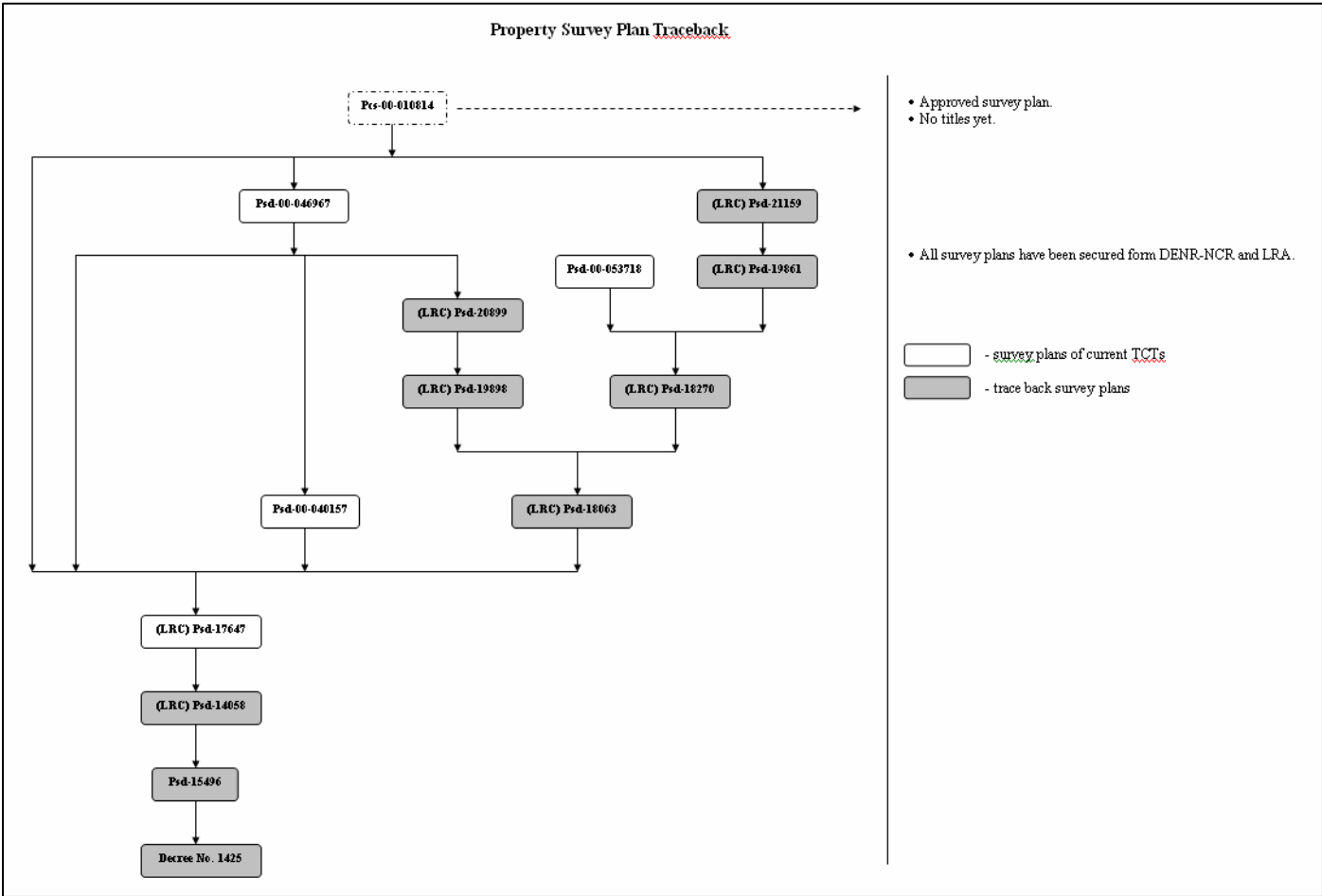
- Inaccurate TCTs, lot descriptions
- Difficulty in getting public documents (e.g. for parcel verification, traceback)



Title
Traceback

Documentation/Process

- Inaccurate TCTs, lot descriptions
- Difficulty in getting public documents (e.g. for parcel verification, traceback)



Survey Plan Traceback

Documentation/Process

- Inaccurate TCTs, lot descriptions
- Difficulty in getting public documents (e.g. for parcel verification, traceback)
- **Duplicate government functions (e.g. admin vs judicial titling)**
- **LGU boundary dispute**
- **Uncertain/inconsistent bidding processes and rules**
- **Corruption**

Zoning/Land Use Regulation

- Overlapping zoning/land use boundaries
- Inconsistency between zoning and actual use
- Inconsistency between zoning and deed restrictions
- Unrealistic or impractical zoning regulations, e.g. parking, density

Zoning/Land Use Regulation

- **Overlapping land use regulations/boundaries**
- **Inconsistency between zoning/land use regulations and actual practice**

PROC 1636: National Park, Wildlife Sanctuary and Game Preserve Reservations in Tanay Area



EO 33 MARIKINA WATERSHED
Declaring specific areas as part of Marikina Watershed Reserve



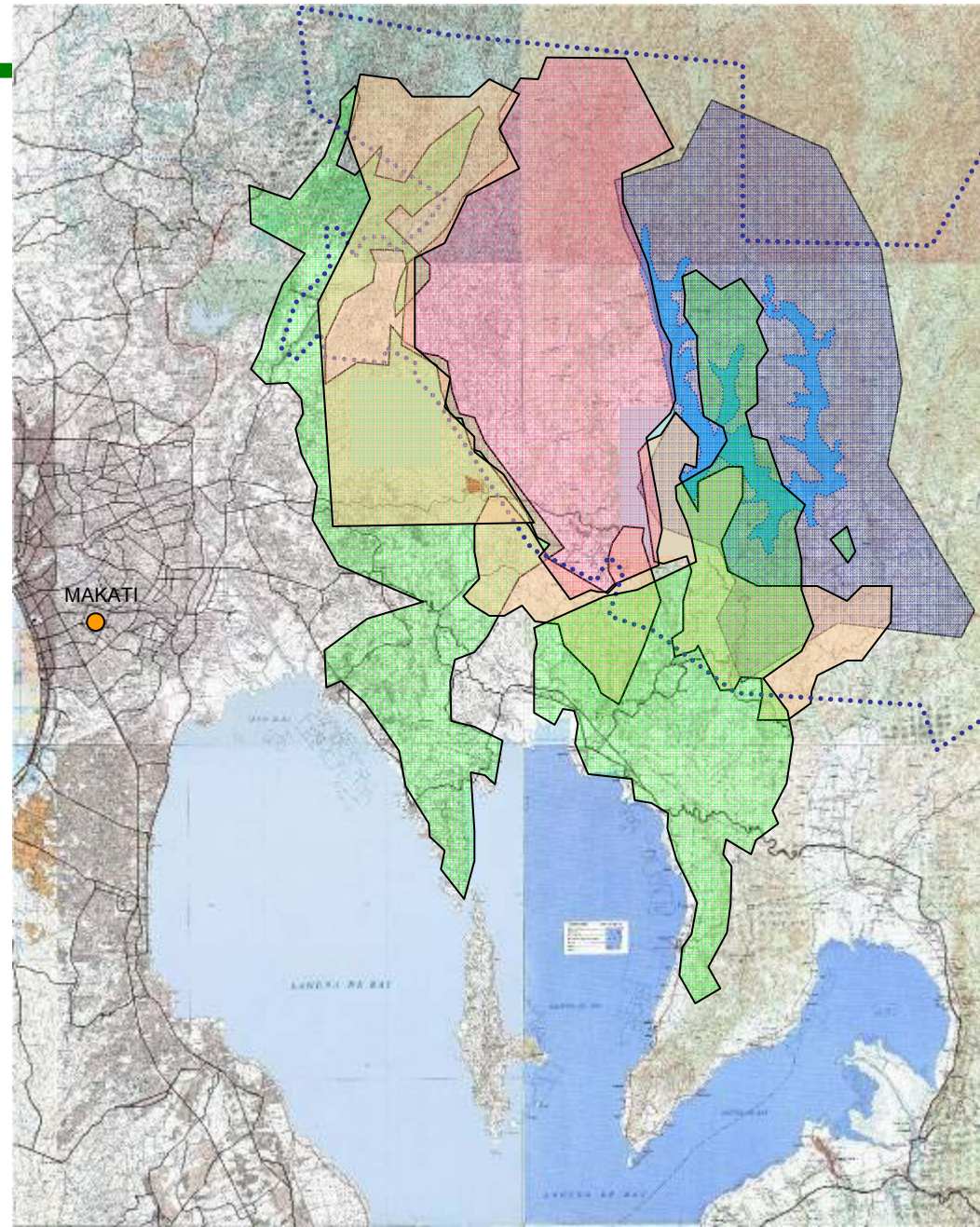
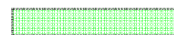
PROC 573: KALIWA WATERSHED
Declaring specific areas as part of Kaliwa Watershed



PROC 1637: LUNSOD SILANGAN
Designating areas in Antipolo, San Mateo and Rodriguez Areas as part of Lungsod Silangan Townsite Reservation



DENR Land Classification:
ALIENABLE & DISPOSABLE

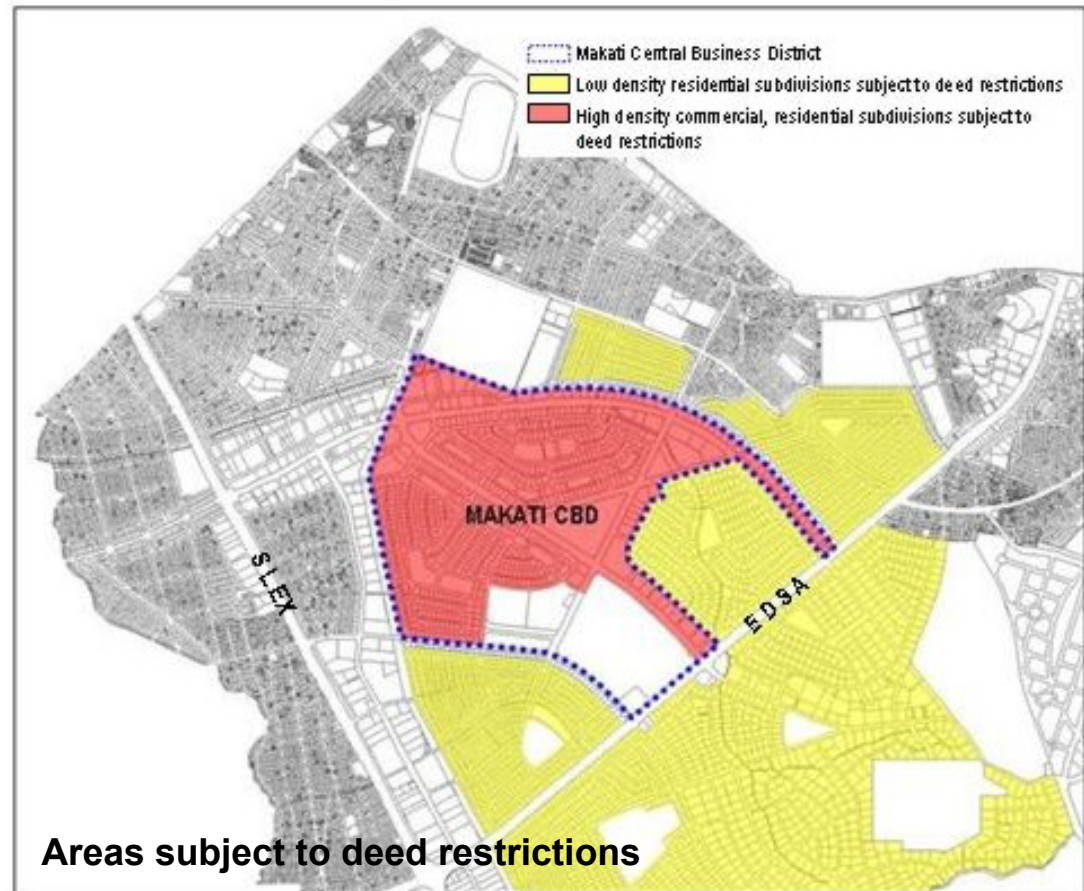


Zoning/Land Use Regulation

- **Inconsistency between zoning and deed restrictions**

Deed Restrictions

- Contractual agreement between land developer and lot buyer governing land use, density, building form, governance, etc.
- Ex. Along Ayala Avenue
 - Office use only
 - FAR 16 density
 - Build flush to front and side boundaries
 - Membership in estate association
- Ex. Residential villages
 - Single family residence
 - Two storey building
 - Building setbacks
 - Membership in village association



Zoning/Land Use Regulation

- Inconsistency between zoning and deed restrictions

Hierarchy of Regulations

- Principle: most stringent provision prevails

National level regulations



Local zoning ordinance



Deed restrictions



Zoning/Land Use Regulation

- Inconsistency between zoning and deed restrictions

Hierarchy of Regulations

- Principle: most stringent provision prevails

Inconsistent with hierarchy:

- local < deed restrictions
- deed restrictions not allowed

National level regulations



Local zoning ordinance



Deed restrictions



Zoning/Land Use Regulation

- Inconsistency between zoning and deed restrictions

Hierarchy of Regulations

- Principle: most stringent provision prevails

Inconsistent with hierarchy:

- local < deed restrictions
- deed restrictions not allowed

Ideal for enforcement and acquisition:

- local = deed restrictions

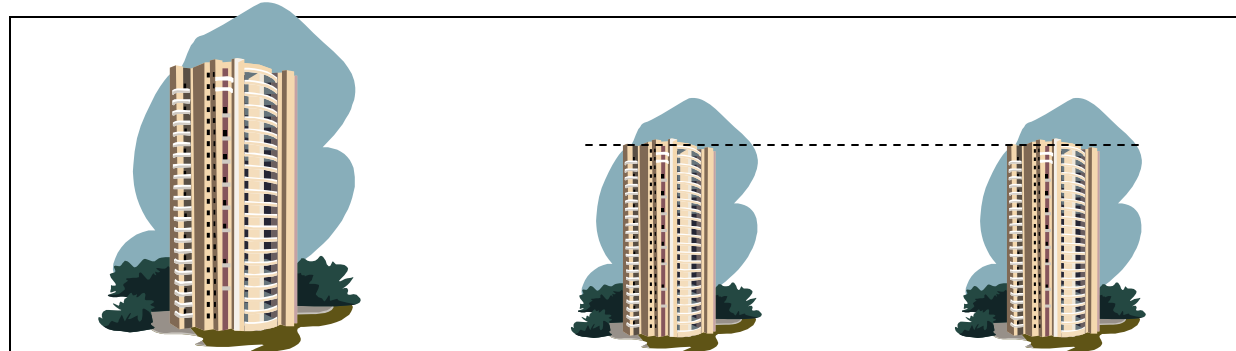
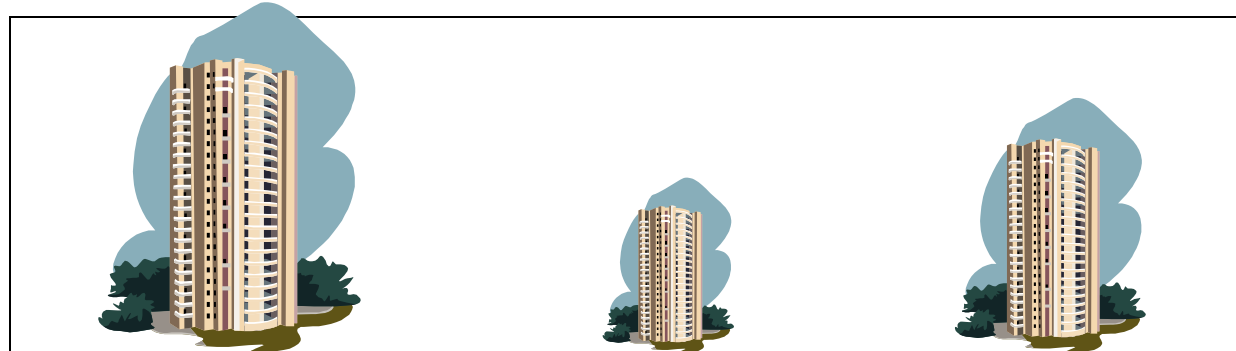
National level regulations



Local zoning ordinance



Deed restrictions



Zoning/Land Use Regulation

- **Unrealistic or impractical zoning regulations**
 - E.g. Low density zoning for high density bidding
 - E.g. Excessive parking requirements in local zoning ordinances



Welfareville:

- **Bidding: mixed use, high density**
- **Zoning: R-1, low density**
- **22,000 families**

Possession/Access

- Squatters / illegal - legal occupants
- Lack of infrastructure

Possession/Access

- Squatters / illegal - legal occupants



E.g. Old Bilibid

- 8.40 ha
- 4,000 jail inmates
- 1,200 families

Possession/Access

- **Squatters/illegal occupants**
- **Lack of infrastructure**
 - **Roads**
 - **Drainage/flood control**
 - **Water supply**
 - **Other infrastructure that allows access to and development of property**

TYPE	ISSUE	APPROACH/SOLUTION
Ownership	Title overlaps	Legal resolution; transparency and use of more advanced IT; structural reform
	Duplicate/multiple titles	
	Spurious titles, survey plans and tax declarations	
	Adverse claims, pending litigation	
	Inconsistency in ownership laws and actual practice	
Documentation /Process	Inaccurate TCTs, lot descriptions	Quality control
	Difficulty in getting public documents (e.g. title, survey plan) for parcel verification, traceback	Transparency and use of more advanced IT
	Uncertain/inconsistent bidding processes or rules	Transparency
	Duplicate government functions (e.g. administrative-judicial titling)	Integrate and simplify
	LGU boundary dispute	Provide incentives to LGUs to resolve dispute
	Corruption	Transparency
Zoning / Land use regulation	Overlapping zoning/land use regulation boundaries	Amend and reconcile pertinent provisions of local zoning and other legislation
	Inconsistency between zoning and actual use	
	Unrealistic or impractical zoning regulations	Urban planning
	Inconsistency between zoning and deed restrictions	
Possession / Access	Squatters/illegal occupants	Affordable housing
	Lack of infrastructure	

END