

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

FIFTEENTH CONGRESS
Second Regular Session

HOUSE BILL No. 5636



Introduced by Rep. TEDDY A. CASIÑO

EXPLANATORY NOTE

Government statistics show that out of the 780,437 business enterprises operating in the Philippines, 99.6% (777,357) are micro, small and medium enterprises. Of this number, 91.4% (710,822) are micro enterprises and 8.2% (63,526) are small enterprises.

Involved in manufacturing, wholesale and retail trade, restaurants and services, micro and small and enterprises contribute around 30.4% (1,731,082) and 25.5% (1,449,033), respectively, of the total jobs generated by businesses each year. These businesses contribute a large portion of the manufacturing and export sales of the country. It is for these reasons that the government needs to extend additional support to said enterprises.

Given their frail nature as start-up and developing businesses, it is crucial that the State creates an environment that will encourage their growth and expansion, and most importantly, survival.

Rent is among the largest expenses in running a business. This bill aims to put a cap on the increases of rent of commercial spaces, in the process expanding Republic Act no. 9653 or the Rent Control Act of 2009. This would allow micro and small business to use money otherwise spent on exorbitant rent hikes for their capital, labor and other operational expenses.

In this light, the passage of this bill is earnestly sought.

Approved,


TEDDY A. CASIÑO
Bayan Muna Party-list

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

FIFTEENTH CONGRESS
Second Regular Session

HOUSE BILL No. 5636

Introduced by Rep. TEDDY A. CASIÑO

AN ACT EXPANDING REPUBLIC ACT NO. 9653
OR THE RENT CONTROL ACT OF 2009 TO INCLUDE
MICRO AND SMALL BUSINESS ENTERPRISES

Be it enacted by the Senate and the House of Representatives of the Philippines in Congress assembled:

SECTION 1. *Short Title.* This Act shall be known as “Expanded Rent Control Act of 2011.”

SECTION 2. Sec. 2 of Republic Act No. 9653 is hereby amended to read as follows:

“Sec. 2 Declaration of Policy. – The State shall, for the common good, undertake a continuing program of encouraging the development of affordable housing AND COMMERCIAL SPACES for the lower income brackets, other beneficiaries AND MICRO AND SMALL BUSINESS ENTERPRISES (MSBEs).

Toward this end, the State shall continue to protect housing tenants in the lower income brackets AND MSBES from unreasonable rent increases.”

SECTION 3. Sec. 3 of Republic Act No. 9653 is hereby amended to read as follows:

“Sec. 4. Definition of Terms. – The following terms as used in this Act shall be understood as:

- (a) “Rent” shall mean the amount paid for the use or occupancy of a residential unit OR COMMERCIAL SPACE whether payment is made on a monthly or other basis.
- (b) “Residential unit”

XXXXX

- (c) “COMMERCIAL SPACE” shall refer to any building and its units, stalls or any space allotted for commercial purposes.
- (d) “Immediate members of family of the lessee or lessor”

XXXXX

- (e) "Lessee" shall mean the person renting a residential unit OR COMMERCIAL SPACE.
- (f) "Owner/Lessor" shall include the owner or administrator or agent of the owner of the residential unit OR COMMERCIAL SPACE.
- (g) "Sublessor" shall mean the person who leases or rents out a residential unit OR COMMERCIAL SPACE leased to him by an owner.
- (h) "Sublessee" shall mean the person who leases or rents out a residential unit OR COMMERCIAL SPACE from a sublessor."

SECTION 4. Sec. 4 of Republic Act No. 9653 is hereby amended to read as follows:

"Sec. 4. Limit on Increases in Rent. - For a period of one (1) year from its effectivity, no increase shall be imposed upon the rent of any residential unit OR COMMERCIAL SPACE covered by this Act: Provided, that after such period until December 31, 2013, the rent of any residential unit covered by this Act shall not be increased by more than seven (7%) annually as long as the unit is occupied by the same lessee: Provided, further, That when the residential unit OR COMMERCIAL SPACE becomes vacant, the lessor may set the initial rent for the next lessee: Provided, however, That in the case of boarding houses, dormitories, rooms and bedspaces offered for rent to students, no increase in rental more than once per year shall be allowed."

SECTION 5. Sec. 5 of Republic Act No. 9653 is hereby amended to read as follows:

"Sec. 5. Coverage of this Act. - All residential units in the National Capital Region and other highly urbanized cities the total monthly rent for each of which ranges from One peso (P1.00) to Ten thousand pesos (P10,000.00) and all residential units in all other areas the total monthly rent for each of which ranges from One peso (P1.00) to Five thousand pesos (P5,000.00) as of the effectivity date of this Act shall be covered, without prejudice to existing contracts. THE SAME APPLIES TO ALL COMMERCIAL SPACES IN HIGHLY URBANIZED CITIES WITH A TOTAL MONTHLY RENT RANGING FROM ONE PESO (P1.00) TO THIRTY THOUSAND PESOS (P30,000.00) AND ALL COMMERCIAL SPACES IN ALL OTHER AREAS WITH A TOTAL MONTHLY RENT RANGING FROM ONE PESO (P1.00) TO TWENTY THOUSAND PESOS (P20,000.00)."

SECTION 6. Sec. 6 of Republic Act No. 9653 is hereby amended to read as follows:

"Sec. 6. Authority of Rental Regulation. - Notwithstanding the lapse of the period provided in Section 4 of this Act, the Housing and Urban Development Coordinating Council (HUDCC) AND THE DEPARTMENT OF TRADE AND INDUSTRY (DTI) IS HEREBY GRANTED SEPARATE AUTHORITIES TO REGULATE the rental of certain residential units AND COMMERCIAL SPACES, to determine the period of regulation and its subsequent extensions if warranted, to determine the residential units AND COMMERCIAL SPACES covered and to adjust the allowable limit on rental increases per annum, taking into consideration, among others, National Statistics Office (NSO) census on rental units, prevailing rental rates, the monthly inflation rate on rentals of the immediately preceding year, and rental price index.

SECTION 7. Sec. 9 of Republic Act No. 9653 is hereby amended to read as follows:

XXXXX

“(d)

XXXXX

Provided, however, That the new rent shall be reasonably commensurate with the expenses incurred for the repair of the said residential unit OR COMMERCIAL SPACE and: Provided, finally, That if the residential unit OR COMMERCIAL SPACE is condemned or completely demolished, the lease of the new building will no longer be subject to the aforementioned first preference rule in this subsection;”

SECTION 8. Sec. 12 of Republic Act No. 9653 is hereby amended to read as follows:

“Sec. 12. Application of the Civil Code and Rules of Court of the Philippines. - Except when the lease is for a definite period, the provision of paragraph (1) of Article 1673 of the Civil Code of the Philippines, insofar as they refer to residential units AND COMMERCIAL SPACES covered by this Act, shall be suspended during the effectivity of this Act, but other provisions of the Civil Code and the Rules of Court on lease contracts, insofar as they are not in conflict with the provisions of this Act shall apply.”

SECTION 9. Sec. 15 of Republic Act No. 9653 is hereby amended to read as follows:

“Sec. 15. Review of the Rental Regulation – The HUDCC AND THE DTI are hereby mandated to conduct every three (3) years from the effectivity of this Act a review of its implementation and a study on rental regulation, and submit to Congress its recommendation on whether a continuing regulation is still necessary or deregulation is already warranted.”

SECTION 10. Sec. 16 of Republic Act No. 9653 is hereby amended to read as follows:

“Sec. 17. Program to Cushion Impact in the Event of a Regulation-Free Rental Housing Market. The HUDCC and its attached agencies AND THE DTI are hereby mandated to SEPARATELY formulate and implement a two (2) year transition program which will provide for safety measures to cushion the impact in the event of a regulation-free housing market.”

SECTION 11. *Constitutionality.* Should any provision of this Act be declared invalid or unconstitutional, the validity or constitutionality of the other provisions shall not be affected thereby.

SECTION 12. *Repealing Clause.* All laws, decrees, letters of instructions, resolutions, orders, ordinances or parts thereof which are inconsistent with the provisions of this Act, are hereby repealed, amended, or modified accordingly.

SECTION 13. *Effectivity.* This Act shall take effect fifteen (15) days after its publication in two (2) newspapers of general circulation.

Approved,

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

FIFTEENTH CONGRESS
Second Regular Session

HOUSE BILL No. _____

Introduced by Rep. TEDDY A. CASIÑO

EXPLANATORY NOTE

Government statistics show that out of the 780,437 business enterprises operating in the Philippines, 99.6% (777,357) are micro, small and medium enterprises. Of this number, 91.4% (710,822) are micro enterprises and 8.2% (63,526) are small enterprises.

Involved in manufacturing, wholesale and retail trade, restaurants and services, micro and small and enterprises contribute around 30.4% (1,731,082) and 25.5% (1,449,033), respectively, of the total jobs generated by businesses each year. These businesses contribute a large portion of the manufacturing and export sales of the country. It is for these reasons that the government needs to extend additional support to said enterprises.

Given their frail nature as start-up and developing businesses, it is crucial that the State creates an environment that will encourage their growth and expansion, and most importantly, survival.

Rent is among the largest expenses in running a business. This bill aims to put a cap on the increases of rent of commercial spaces, in the process expanding Republic Act no. 9653 or the Rent Control Act of 2009. This would allow micro and small business to use money otherwise spent on exorbitant rent hikes for their capital, labor and other operational expenses.

In this light, the passage of this bill is earnestly sought.

Approved,


TEDDY A. CASIÑO
Bayan Muna Party-list

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

FIFTEENTH CONGRESS
Second Regular Session

HOUSE BILL No. _____

Introduced by Rep. TEDDY A. CASIÑO

AN ACT EXPANDING REPUBLIC ACT NO. 9653
OR THE RENT CONTROL ACT OF 2009 TO INCLUDE
MICRO AND SMALL BUSINESS ENTERPRISES

Be it enacted by the Senate and the House of Representatives of the Philippines in Congress assembled:

SECTION 1. *Short Title.* This Act shall be known as “Expanded Rent Control Act of 2011.”

SECTION 2. Sec. 2 of Republic Act No. 9653 is hereby amended to read as follows:

“Sec. 2 Declaration of Policy. – The State shall, for the common good, undertake a continuing program of encouraging the development of affordable housing AND COMMERCIAL SPACES for the lower income brackets, other beneficiaries AND MICRO AND SMALL BUSINESS ENTERPRISES (MSBES).

Toward this end, the State shall continue to protect housing tenants in the lower income brackets AND MSBES from unreasonable rent increases.”

SECTION 3. Sec. 3 of Republic Act No. 9653 is hereby amended to read as follows:

“Sec. 4. Definition of Terms. – The following terms as used in this Act shall be understood as:

(a) “Rent” shall mean the amount paid for the use or occupancy of a residential unit OR COMMERCIAL SPACE whether payment is made on a monthly or other basis.

(b) “Residential unit”

XXXXX

(c) “COMMERCIAL SPACE” shall refer to any building and its units, stalls or any space allotted for commercial purposes.

(d) “Immediate members of family of the lessee or lessor”

XXXXX

- (e) "Lessee" shall mean the person renting a residential unit OR COMMERCIAL SPACE.
- (f) "Owner/Lessor" shall include the owner or administrator or agent of the owner of the residential unit OR COMMERCIAL SPACE.
- (g) "Sublessor" shall mean the person who leases or rents out a residential unit OR COMMERCIAL SPACE leased to him by an owner.
- (h) "Sublessee" shall mean the person who leases or rents out a residential unit OR COMMERCIAL SPACE from a sublessor."

SECTION 4. Sec. 4 of Republic Act No. 9653 is hereby amended to read as follows:

"Sec. 4. Limit on Increases in Rent. - For a period of one (1) year from its effectivity, no increase shall be imposed upon the rent of any residential unit OR COMMERCIAL SPACE covered by this Act: Provided, that after such period until December 31, 2013, the rent of any residential unit covered by this Act shall not be increased by more than seven (7%) annually as long as the unit is occupied by the same lessee: Provided, further, That when the residential unit OR COMMERCIAL SPACE becomes vacant, the lessor may set the initial rent for the next lessee: Provided, however, That in the case of boarding houses, dormitories, rooms and bedspaces offered for rent to students, no increase in rental more than once per year shall be allowed."

SECTION 5. Sec. 5 of Republic Act No. 9653 is hereby amended to read as follows:

"Sec. 5. Coverage of this Act. - All residential units in the National Capital Region and other highly urbanized cities the total monthly rent for each of which ranges from One peso (P1.00) to Ten thousand pesos (P10,000.00) and all residential units in all other areas the total monthly rent for each of which ranges from One peso (P1.00) to Five thousand pesos (P5,000.00) as of the effectivity date of this Act shall be covered, without prejudice to existing contracts. THE SAME APPLIES TO ALL COMMERCIAL SPACES IN HIGHLY URBANIZED CITIES WITH A TOTAL MONTHLY RENT RANGING FROM ONE PESO (P1.00) TO THIRTY THOUSAND PESOS (P30,000.00) AND ALL COMMERCIAL SPACES IN ALL OTHER AREAS WITH A TOTAL MONTHLY RENT RANGING FROM ONE PESO (P1.00) TO TWENTY THOUSAND PESOS (P20,000.00)."

SECTION 6. Sec. 6 of Republic Act No. 9653 is hereby amended to read as follows:

"Sec. 6. Authority of Rental Regulation. - Notwithstanding the lapse of the period provided in Section 4 of this Act, the Housing and Urban Development Coordinating Council (HUDCC) AND THE DEPARTMENT OF TRADE AND INDUSTRY (DTI) IS HEREBY GRANTED SEPARATE AUTHORITIES TO REGULATE the rental of certain residential units AND COMMERCIAL SPACES, to determine the period of regulation and its subsequent extensions if warranted, to determine the residential units AND COMMERCIAL SPACES covered and to adjust the allowable limit on rental increases per annum, taking into consideration, among others, National Statistics Office (NSO) census on rental units, prevailing rental rates, the monthly inflation rate on rentals of the immediately preceding year, and rental price index.

SECTION 7. Sec. 9 of Republic Act No. 9653 is hereby amended to read as follows:

XXXXX

“(d)

XXXXX

Provided, however, That the new rent shall be reasonably commensurate with the expenses incurred for the repair of the said residential unit OR COMMERCIAL SPACE and: Provided, finally, That if the residential unit OR COMMERCIAL SPACE is condemned or completely demolished, the lease of the new building will no longer be subject to the aforementioned first preference rule in this subsection;”

SECTION 8. Sec. 12 of Republic Act No. 9653 is hereby amended to read as follows:

“Sec. 12. Application of the Civil Code and Rules of Court of the Philippines. - Except when the lease is for a definite period, the provision of paragraph (1) of Article 1673 of the Civil Code of the Philippines, insofar as they refer to residential units AND COMMERCIAL SPACES covered by this Act, shall be suspended during the effectivity of this Act, but other provisions of the Civil Code and the Rules of Court on lease contracts, insofar as they are not in conflict with the provisions of this Act shall apply.”

SECTION 9. Sec. 15 of Republic Act No. 9653 is hereby amended to read as follows:

“Sec. 15. Review of the Rental Regulation – The HUDCC AND THE DTI are hereby mandated to conduct every three (3) years from the effectivity of this Act a review of its implementation and a study on rental regulation, and submit to Congress its recommendation on whether a continuing regulation is still necessary or deregulation is already warranted.”

SECTION 10. Sec. 16 of Republic Act No. 9653 is hereby amended to read as follows:

“Sec. 17. Program to Cushion Impact in the Event of a Regulation-Free Rental Housing Market. The HUDCC and its attached agencies AND THE DTI are hereby mandated to SEPARATELY formulate and implement a two (2) year transition program which will provide for safety measures to cushion the impact in the event of a regulation-free housing market.”

SECTION 11. *Constitutionality.* Should any provision of this Act be declared invalid or unconstitutional, the validity or constitutionality of the other provisions shall not be affected thereby.

SECTION 12. *Repealing Clause.* All laws, decrees, letters of instructions, resolutions, orders, ordinances or parts thereof which are inconsistent with the provisions of this Act, are hereby repealed, amended, or modified accordingly.

SECTION 13. *Effectivity.* This Act shall take effect fifteen (15) days after its publication in two (2) newspapers of general circulation.

Approved,