

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
Second Regular Session

HOUSE BILL NO. 8516



Introduced by **REPRESENTATIVE MANUEL ANTONIO F. ZUBIRI**

EXPLANATORY NOTE

On August 6, 2020, it was reported that the Philippine economy shrunk by 16.5% and that it has slipped into recession after 29 years. This economic downturn is attributed to the worldwide persistence of the COVID-19 virus, among others. Five months after, the challenges that the virus has wrecked on our economy has remained.

The length of the various quarantine lockdowns earlier this year and the restriction of movement has resulted in slow to almost non-existence of economic activity in the country. As a result, even big businesses folded retrenching thousands of Filipinos into unemployment. And today, new spikes in cases in other parts of the country has forced another set of lockdowns, further slowdown of the economy is expected.

It is the firm belief of this representation that the Filipino people affected by this pandemic must be helped in any way by the government. And one way of helping them is to cushion the economic effects of this pandemic so that they may not lose the roofs on their heads.

As of 2015 alone, the Philippine Statistic Authority has published that there is a total of 22,969,666 households in the Philippines. And out of this number, those who rent a house/room including lot and those who rent the lot total to 3,473,919.

With the economic slowdown, every peso counts to the average lessee. As such, an increase during this time of great need will affect our lessees which may push them further towards abject poverty. It is on this note that to prohibit any increase in rent during this pandemic and economic hardship will go a long way for our common lessees.

In view of the foregoing, the immediate passage of this bill is earnestly sought.

MANUEL ANTONIO F. ZUBIRI
Representative
Third District, Bukidnon

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
Second Regular Session

HOUSE BILL NO. 8516

Introduced by **REPRESENTATIVE MANUEL ANTONIO F. ZUBIRI**

AN ACT
PROHIBITING THE INCREASE OF RENTAL RATES ON RESIDENTIAL AND
COMMERCIAL UNITS AND SPACES FOR THE DURATION OF
THE COVID-19 PANDEMIC

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

SECTION 1. *Declaration of Policy.* – The State shall, for the common good, protect tenants from further experiencing the economic toll of the pandemic that has swept the world. The state shall ensure the survival – economic and otherwise – of tenants who find themselves in between jobs or struggling, but are still able, in the meantime, to pay the current rate of their rent despite their dwindling savings or income.

SECTION 2. *Definition of Terms.* – The following terms as used in this Act shall be understood as:

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

“Residential Unit” shall refer to an apartment, house and/or land on which another’s dwelling is located and used for residential purposes and shall include not only building houses, dormitories, rooms and bed spaces offered for rent by their owners, except motels, motel rooms, hotels, hotel rooms but also those used for home industries, retail stores or other business purposes if the owner thereof and his or her family actually live therein and use it principally for dwelling purposes.

“Commercial Unit” shall refer to spaces and units and/or land on which another’s business is located and conducted in the furtherance of such business and shall include not only buildings, rooms and other spaces utilized by business owners in conducting their business and offered for rent by their owners.

“Immediate members of family of the lessee or lessor” for purposes of repossessing the leased premises, shall be limited to his or her spouse, direct descendants or ascendants, by consanguinity or affinity.

“Lessee” shall mean the person renting a residential and/or commercial unit.

“Owner/Lessor” shall include the owner or administrator or agent of the owner of the residential and/or commercial unit.

“Sublessee” shall mean the person who leases or rents out a residential and/or commercial unit or space thereof, leased to him by a sublessor.

SECTION 3. *Prohibition on Increases in Rent.* – For the duration of the COVID-19 pandemic and recession in the country, no increase shall be imposed upon the rent of any residential and commercial unit covered by this Act. Provided, that the lessor or landowner is not precluded from decreasing the rent charge from lessees or sublessees. Provided, further, that when the residential or commercial unit becomes vacant, the lessor may set the initial rent for the next lessee.

The provisions of this Act shall cease to be operative upon a formal declaration from the National Government that the pandemic has been contained.

SECTION 4. *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 Twenty Thousand pesos (P20,000.00) and all residential units in all other areas, the total monthly rent for each of which ranges from One peso (P1.00) to Ten Thousand pesos (P10,000.00) as of the effectivity date of this Act shall be covered, without prejudice to existing contracts.

All commercial 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 Forty Thousand pesos (P40,000.00) and all commercial units in all other areas, the total monthly rent for each of which ranges from One peso (P1.00) to Twenty Five Thousand pesos (P25,000.00) as of the effectivity date of this Act shall be covered, without prejudice to existing contracts.

SECTION 5. *Penalties.* – A fine of not less than a year’s rent charged by the lessor to the lessee or imprisonment of six (6) months, or both, shall be imposed on any person, natural or judicial, found guilty of violating any provision of this Act.

SECTION 6. *Information Drive.* – The Department of the Interior and Local Government and the HUDCC, in coordination with other concerned agencies, are hereby mandated to conduct a continuing information drive about the provisions of this Act, which shall be translated and be made available in major regional dialects and shall be posted in conspicuous public places, including barangay halls.

SECTION 7. *Separability Clause.* – If any provision or part hereof is held invalid or unconstitutional, the remainder of the law or the provision not otherwise affected shall remain valid and subsisting.

SECTION 8. *Repealing Clause.* – Any law, presidential decree or issuance, executive order, letter of instruction, administrative order, rule or regulation contrary to or inconsistent with the provisions of this Act is hereby repealed, modified or amended accordingly.

SECTION 9. *Effectivity Clause.* – This Act shall take effect beginning fifteen (15) days after its complete publication in at least two (2) newspapers of general circulation.

Approved,