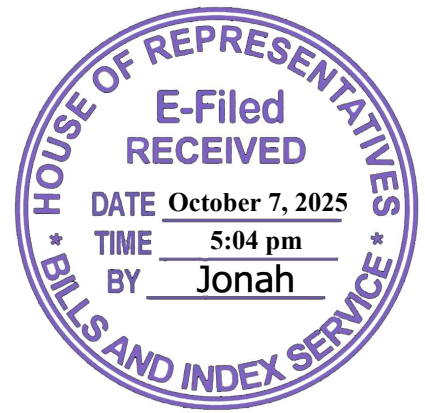


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 5267



Introduced by Representatives Brian Poe PhD, MNSA, Ryan S. Recto, Javier Miguel L. Benitez

AN ACT
PROVIDING AFFORDABLE URBAN LIVING THROUGH VERTICAL INTEGRATION AND
PUBLIC-PRIVATE LEASING, AND FOR OTHER PURPOSES

EXPLANATORY NOTE

The right to adequate and affordable housing is enshrined in the Constitution as part of every Filipino's right to a dignified quality of life. Yet, despite decades of effort, the housing backlog continues to widen—reaching millions of unserved families—while thousands of residential condominium units across urban centers remain vacant and idle.

This bill presents an innovative and cost-efficient solution to the country's housing challenge through vertical socialized housing—a model that utilizes existing condominium units and private housing stock to provide affordable, inclusive, and dignified living spaces for low- to middle-income families. By leasing unoccupied private units through public-private partnerships, the government can immediately address housing needs without the prohibitive costs and delays of land acquisition or new construction.

The Vertical Socialized Housing Act of 2025 institutionalizes this approach through *Master Lease Agreements*, enabling local governments to lease multiple units from willing developers and sublease them to qualified beneficiaries at socialized rental rates. This strategy maximizes idle assets while supporting the real estate sector in clearing oversupply, particularly in Metro Manila where, according to recent reports, over 80,000 condominium units remain unsold—equivalent to nearly three years' worth of inventory.

Beyond affordability, this measure introduces an important behavioral dimension by linking tenancy to positive, community-building conduct. Much like the *Pantawid Pamilyang Pilipino Program (4Ps)*, beneficiaries' continued eligibility may be conditioned on responsible

occupancy, timely rent payments, participation in livelihood or education programs, and compliance with community guidelines. This approach transforms housing from mere shelter into an instrument of empowerment—encouraging productivity, stability, and civic responsibility.

To ensure integrity, transparency, and data protection, the program shall adopt a National Privacy Commission (NPC) Seal of Compliance, certifying that tenant data, lease records, and financial information are securely managed and processed in accordance with the Data Privacy Act. This strengthens public trust and enables responsible data-driven policymaking while safeguarding beneficiaries' rights.

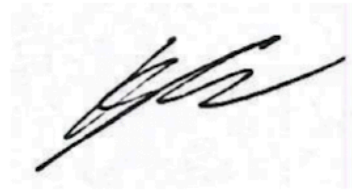
Finally, the bill promotes social integration through *Urban Integration Zones (UIZs)*—mixed-income communities designed to prevent socioeconomic segregation and foster urban inclusivity. By combining affordable housing with access to transportation, employment, and education, the measure advances the State's commitment to equitable urban development.

In sum, this proposed law provides a scalable, affordable, and humane model of urban housing—one that rewards good behavior, revitalizes underused private assets, and protects both tenants and property owners under a framework of transparency and shared responsibility.

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



REP. BRIAN POE, PhD, MNSA



REP. RYAN S. RECTO



REP. JAVIER MIGUEL L. BENITEZ

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

SECTION 1. *Short Title.* – This Act shall be known as the “*Vertical Socialized Housing Act of 2025.*”

Sec. 2. *Declaration of Policy.* – It is the policy of the State to ensure access to affordable, inclusive, and dignified urban housing for low- to middle-income families. The State shall promote the optimal utilization of existing urban housing stock, encourage public-private partnerships, and prevent the formation of segregated communities, in line with the principles of equitable urban development.

Sec. 3. *Definition of Terms.* – For purposes of this Act, the following terms shall be defined as follows:

- a) *Vertical Socialized Housing* refers to the housing program that utilizes existing multi-story residential buildings to provide affordable housing units to eligible beneficiaries.
- b) *Master Lease Agreement* refers to the contractual arrangement wherein the government leases multiple residential units from private property owners or developers for subleasing to qualified beneficiaries.
- c) *Vertical Socialized Housing Fund (VSHF)* refers to the dedicated fund established to finance the leasing, maintenance, and administration of vertical socialized housing units.

- d) *Urban Integration Zones (UIZs)* refers to the designated urban areas identified for the implementation of integrated housing programs that promote mixed-income communities.
- e) *Inclusionary Zoning* refers to the land-use regulation requiring developers to allocate a portion of new residential developments for affordable housing or contribute to housing programs.

Sec. 4. *Government-Leased Vacant Units.* – The Department of Human Settlements and Urban Development (DHSUD), in coordination with the National Housing Authority (NHA), shall identify and lease long-term (minimum of ten years) vacant private condominium units from willing developers or property owners to house eligible low- to middle-income families.

Sec. 5. *Master Lease Agreements.* – The Local Government Units (LGUs) shall enter into Master Lease Agreements with property owners, securing multiple residential units at negotiated, discounted rates. These units shall be subleased to qualified beneficiaries at socialized rental prices.

Sec. 6. *Public-Private Incentives.* – Developers and property owners participating in the program shall be entitled to the following incentives:

- a) Tax incentives as provided under existing laws;
- b) Expedited processing of permits and licenses; and
- c) Credits toward compliance with socialized housing requirements under Republic Act No. 7279, as amended.

Sec. 7. *Vertical Socialized Housing Fund (VSHF).* – A Vertical Socialized Housing Fund is hereby established to finance the leasing, maintenance, and administration of vertical socialized housing units. The VSHF shall be sourced from:

- a) Annual appropriations from the General Appropriations Act;
- b) Contributions from local government units (LGUs);
- c) Donations and grants from international and local partners; and
- d) Contributions from participating developers and property owners.

Sec. 8. *Rent-to-Own and Shared Equity Options.* – Beneficiaries who have continuously occupied a unit for at least five years may opt to transition to a rent-to-own scheme or enter into a shared equity arrangement, subject to terms and conditions set by the DHSUD, including but not limited to:

- a) Minimum monthly income requirements;
- b) Compliance with community guidelines; and
- c) Participation in community development programs.

Sec. 9. *Urban Integration Zones (UIZs).* – The DHSUD, in coordination with LGUs, shall designate Urban Integration Zones in key urban areas such as Metro Manila, Cebu, and Davao. These zones shall implement inclusive housing mandates and mixed-income development models to promote social integration and prevent segregation.

Sec 10. *Inclusionary Zoning Mandate.* – All new vertical residential developments within UIZs shall allocate at least twenty percent (20%) of units for socialized housing or participate in the government leasing program established under this Act.

Sec. 11. *Mobility and Portability of Tenancy.* – The DHSUD shall develop policies to allow qualified beneficiaries to transfer between units or locations within the program without losing eligibility, ensuring flexibility for employment opportunities or in response to emergencies.

Sec. 12. *Prevention of Socioeconomic Segregation.* – To prevent the formation of segregated communities, the LGU shall implement mixed-income occupancy policies and enforce anti-discrimination provisions within all vertical socialized housing projects.

Sec. 13. *Utilization of Idle Housing Inventory.* – The program shall prioritize the use of existing vacant residential units in urban areas to address housing shortages efficiently, minimizing the need for new land acquisition.

Sec. 14. *LGU and Community Involvement.* – Local government units shall:

- a) Identify and endorse eligible beneficiaries;
- b) Co-finance lease agreements as feasible; and
- c) Provide community integration and support services.

Sec. 15. *Data-Driven Oversight and Evaluation.* – The DHSUD shall establish a transparent monitoring and evaluation system, including:

- a) Regular reporting on program implementation;
- b) Third-party evaluations to assess cost-effectiveness and tenant satisfaction; and
- c) Public access to program data, subject to privacy laws.

Sec. 16. *Appropriations.* – The amount necessary to implement this Act shall be included in the annual General Appropriations Act. Additional funding may be sourced from the VSHF and other contributions as specified in Section 7.

Sec. 17. *Implementing Rules and Regulations.* – Within ninety (90) days from the effectivity of this Act, the DHSUD, in coordination with relevant agencies and stakeholders, shall promulgate the necessary rules and regulations for its effective implementation.

Sec. 18. *Separability Clause.* – If any provision of this Act is declared unconstitutional or invalid, the remaining provisions not affected thereby shall remain in full force and effect.

Sec. 19. *Repealing Clause.* – All laws, decrees, executive orders, rules, and regulations inconsistent with this Act are hereby repealed or modified accordingly.

Sec. 20. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,



REP. BRIAN POE, Phd, MNSA



REP. RYAN S. RECTO



REP. JAVIER MIGUEL L. BENITEZ