

TWENTIETH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)

Second Regular Session



HOUSE OF REPRESENTATIVES
HOUSE BILL NO. 10514

Introduced by REPRESENTATIVE MA. NINA FRANCESCA P. LACSON

EXPLANATORY NOTE

The housing sector is a cornerstone of national development, yet millions of Filipino families continue to struggle with inadequate or unaffordable housing. According to the Philippine Statistics Authority (PSA), the country's housing need for 2023–2028 is estimated at 3.7 million units, reflecting both existing shortages and projected household formation. Despite government efforts under the Pambansang Pabahay para sa Pilipino (4PH) Program, only about 575,693 units were produced or financed between July 2022 and June 2026, representing just over half of the administration's recalibrated target of 1.13 million units.

The affordability crisis is most acute in Metro Manila, where the median condominium price is 19.8 times the median annual household income of \$8,957 (approx. ₱500,000). Townhouses are even further out of reach at 33.4 times annual income, while median monthly rent exceeds the typical household's monthly earnings by 41 percent. Independent studies estimate that the private sector produces only 128,000 housing units annually, against demand of 478,000 units, leaving a shortfall of about 350,000 units per year.

This bill seeks to provide tax incentives to developers of economic and medium-cost housing projects, thereby reducing fiscal barriers and encouraging greater private sector participation. By lowering development costs, these incentives will enable developers to offer more affordable housing units, directly benefiting low- and middle-income families who are often excluded from high-end developments and underserved by socialized housing programs.

The measure aligns with the government's agenda of inclusive growth and poverty reduction, while also addressing the structural imbalance between housing demand and supply. Beyond meeting shelter needs, expanded housing development will generate employment, stimulate allied industries such as construction and materials supply, and contribute to sustainable urbanization.

In view of the foregoing, the immediate passage of this bill is earnestly sought to ensure that economic and medium-cost housing becomes a viable and attainable option for millions of Filipino families, thereby strengthening the nation's social and economic foundations.

A handwritten signature in black ink, reading "Nina Lacson". The signature is fluid and cursive, with the first name "Nina" and last name "Lacson" clearly distinguishable.

HON. MA. NINA FRANCESCA P. LACSON
Manila Teachers Partylist

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**AN ACT PROVIDING FOR TAX INCENTIVES ON DEVELOPMENT OF
ECONOMIC AND MEDIUM-COST HOUSING**

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 "BAHAY NI JUAN ACT".

Sec. 2. Declaration of Policy. - It is hereby declared a policy of the state to address the housing demand, encourage private participation, and provide incentives to needed investments for mass housing, taking into consideration the following:

- a. Housing is a key industry in the economy due to its strong linkages to other industries;
- b. Government has limited resources that it can allocate for mass housing;
- c. Current housing supply is insufficient to meet housing demand;
- d. The cost of housing production is constantly increasing.

Sec. 3. Incentives for Mass Housing. - Enterprises engaged in the development of economic and medium-cost housing and its related activities duly registered with the Department of Human Settlements and Urban Development (DHSUD) shall be entitled to the same incentives granted to enterprises registered with the Board of Investments pursuant to Executive Order No. 226, otherwise known as the "Omnibus Investment Code of 1987".

Such incentives shall include:

- a. Income tax holiday;
- b. Exempt from the coverage of the expanded value-added tax law;
- c. Duty-free importation on imported capital equipment and imported raw materials
For this purpose, the industry shall be included in the annual Investment Priorities Plan (IPP).

Sec. 4. Definition of Terms. - For the purpose of this Act, the terms below shall be construed to mean, except where explicitly indicated or where the context clearly indicates otherwise, as follows:

- a. **Economic Housing.** Residential subdivision and condominium units that conform with the development standards of Batas Pambansa Blg. 220 (BP 220) and are sold to the public within the current maximum selling price of PHP 1,700,000.00 as prescribed by the DHSUD per Housing and Land Use Regulatory Board (HLURB) Memorandum Circular No. 09, Series of 2015.
- b. **Medium-Cost Housing.** Residential subdivision and condominium units that conform with the development standards of Presidential Decree No. 957 (BP 220) and are sold to the public within the current maximum selling price of PHP 4,000,000.00 as prescribed by the DHSUD per HLURB Memorandum Circular No. 04, Series of 2006.
- c. **Related Activities.** The domestic manufacturing industries, which have a direct bearing on the long-term viability of the housing industry.

Sec. 5. Price Ceiling Adjustment. — The price ceiling for economic and medium-cost housing shall be jointly determined by the DHSUD and the National Economic Development Authority (NEDA); provided, that every three (3) years thereafter, the price ceiling shall be adjusted to its present value using the Consumer Price Index (CPI) as published by the National Statistics Office (NSO); provided, further, that such adjustment shall be published through a Memorandum Circular to be issued not later than 31 March of each year.

A copy of such guidelines, rules, and regulations shall be furnished to the Congress of the Philippines.

Sec. 7. Repealing Clause. - All other laws, decrees, rules, regulations, and other administrative issuances or provisions thereof that are contrary to or inconsistent herewith are hereby repealed or modified accordingly.

Sec. 8. Separability Clause. — If, for any reason, any section or provision of this Act is held unconstitutional or invalid, the other sections or provisions hereof shall not be affected thereby.

Sec. 9. Effectivity. - This Act shall take effect after fifteen (15) days following its publication in the Official Gazette or in any newspaper of general circulation.

Approved,