

13<sup>TH</sup> CONGRESS OF THE REPUBLIC )  
OF THE PHILIPPINES )  
First Regular Session )

'04 JUL -6 AIO:14

SENATE

RECEIVED BY: 

S. BILL NO. 1324

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Introduced by Senator Ralph G. Recto

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### Explanatory Note

Shelter is one of man's basic needs. Deprive him of his home and he will find a way to put a roof over his head -- be it a cardboard or a G.I. sheet, banana leaves or nipa shingles -- and sleep where he can -- be it in small places beneath bridges or along waterways, be it beside railroad tracks or under street lamps, be it under the trees in parks and open spaces or even in garbage dumps.

It is no wonder that next to food, rent of a dwelling unit makes up the biggest share in the total family expenditures with 15.1%, based on estimates of the National Statistical Coordinating Board (NSCB) for year 2000. But this does not even approximate present day realities as modest apartments now cost on the average P7,000 a month. For a family of six earning the minimum daily wage of P280, rental would easily eat up almost 50% of their disposable income.

This bill therefore seeks to lighten the load of struggling apartment dwellers and lessees by extending the term of Republic Act No. 9161, otherwise known as the "Rent Reform Act of 2002" to three (3) years more from Dec. 31, 2004 to Dec. 31, 2007.

Realizing that prices of commodities, including monthly rental fees have considerably gone up 3 years after the enactment of RA 9161, this measure also seeks to provide protection to lessees from arbitrary increases in rental rates by maintaining the allowable maximum increase of rental rates at ten percent (10%) per annum. It also proposes to increase the coverage of the monthly rental of residential units from those not exceeding Seven thousand five hundred pesos (P7,500.00) in the National Capital Region and other highly urbanized cities to Ten thousand pesos (P10,000.00), and all other areas not exceeding Four thousand pesos (P4,000.00) to Five thousand Pesos (P5,000.00).

In view of the increasing oil prices, transport rate hikes and increases in the prices of prime commodities, it is hoped that the benefits from this bill will go a long way in providing much needed relief to our hard-pressed countrymen.

Approval of this important measure is thus most earnestly sought.



RALPH G. RECTO

13<sup>TH</sup> CONGRESS OF THE REPUBLIC )  
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AN ACT  
AMENDING SECTIONS 3 AND 11 OF REPUBLIC ACT NO. 9161, OTHERWISE  
KNOWN AS THE "RENTAL REFORM ACT OF 2002"

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

1           **SECTION 1.** Section 3 of Republic Act No. 9161, otherwise known as the "Rental  
2 Reform Act of 2002" is hereby amended to read as follows:

3                   "Section 3. *Monthly Rental and Maximum Increase.* – Beginning 01 January 2002  
4 and for a duration of **SIX (6)** [three (3)] years thereafter ending on 31 December  
5 **2007** [2004], the monthly rentals of all residential units in the National Capital  
6 Region and other highly urbanized cities not exceeding **TEN THOUSAND**  
7 **PESOS (P10,000.00)** [Seven thousand five hundred pesos (P7,500.00)] and the  
8 monthly rentals of all residential units in all other areas not exceeding **FIVE**  
9 **THOUSAND PESOS (P5,000.00)** [Four thousand pesos (P4,000.00)] shall not be  
10 increased annually by the lessor, without prejudice to existing contracts, by more  
11 than ten (10%).

12           **SEC. 2.** Section 11 of the same Act is hereby amended to read as follows:

13                   "Section 11. *Coverage of this Act.* - All residential units in the National Capital  
14 Region and other highly urbanized cities the total monthly rental for each of which  
15 does not exceed **TEN THOUSAND PESOS (P10,000.00)** [Seven thousand five  
16 hundred pesos (P7,500.00)] and all residential units in all other areas the total  
17 monthly rental for each of which does not exceed **FIVE THOUSAND PESOS**

1 (P5,000.00) [Four thousand pesos (P4,000.000)] as of the effectivity date of this Act  
2 shall be covered, without prejudice to existing contracts.

3 **SEC. 3. *Separability Clause.*** – If any provision of this Act is declared unconstitutional  
4 or invalid, the other provisions not affected thereby shall remain in full force and effect.

5  
6 **SEC. 4. *Repealing Clause.*** – All laws or parts thereof, decrees, orders, rules and  
7 regulations inconsistent with the provisions of this Act are hereby repealed or modified  
8 accordingly.

9  
10 **SEC. 5. *Effectivity Clause.*** – This Act shall take effect immediately following its  
11 publication in a newspaper of general circulation or in the *Official Gazette*, whichever comes  
12 first.

13  
*Approved,*