

SIXTEENTH CONGRESS OF THE REPUBLIC )  
OF THE PHILIPPINES )  
First Regular Session )



Senate  
Office of the Secretary

14 JAN 20 P 6:23

SENATE  
S. B. NO. 2073

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Introduced by Senator Maria Lourdes Nancy S. Binay

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EXPLANATORY NOTE

Pre-selling of subdivision and condominium units, or selling prior to completion of construction, is an effective sales and marketing scheme adopted by real estate developers because of considerable discounts offered to prospective buyers.

Unfortunately, there are real estate developers that fail to complete the subdivision or condominium project within the period provided in the contract. There are instances that delivery of subdivision or condominium units is delayed by months and in some instances, even years.

Section 20 of Presidential Decree (P.D.) No. 957, or "The Subdivision and Condominium Buyers' Protection Decree" provides that the developer of the project shall construct and provide the facilities, improvements and other developments within one (1) year from the issuance of the license for the project.

The aforementioned provision however does not expressly provide the period within which the owner or developer shall complete the project and deliver the subdivision or condominium unit to the buyer. It can thus be argued that penalties for violations of P.D. 957 being penal provisions, which shall be strictly construed against the State, does not apply to owners and developers of subdivision and condominium projects that fail to comply with its obligation to complete the project and deliver the subdivision or condominium unit to the buyers.

This bill proposes to address the gap in P.D. 957 by expressly providing that owners and developers of subdivision of condominium projects shall comply with its obligations to complete the project and deliver the realty within the period provided in the contract.

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

MARIA LOURDES NANCY S. BINAY  
Senator

SIXTEENTH CONGRESS OF THE REPUBLIC )  
OF THE PHILIPPINES )  
First Regular Session )

74 JAN 20 P 6:24

SENATE  
S. B. NO. **2073**

RECEIVED BY: J

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Introduced by Senator Maria Lourdes Nancy S. Binay

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1 AN ACT FURTHER REGULATING SUBDIVISION LOTS AND CONDOMINIUMS BY  
2 REQUIRING OWNERS AND DEVELOPERS TO DISCLOSE THE DATE OF  
3 COMPLETION, DATE OF TURNOVER AND OTHER RELEVANT MILESTONES IN  
4 THE CONTRACT, AND BY REQUIRING THE OWNERS OR DEVELOPERS TO  
5 COMPLY WITH ITS OBLIGATION TO COMPLETE AND TURNOVER THE PROJECT  
6 WITHIN SUCH PERIOD AND FOR OTHER PURPOSES  
7

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

10  
11 **SECTION 1.** Section 20 of Presidential Decree No. 957, otherwise known as The  
12 Subdivision and Condominium Buyers' Protection Decree, is hereby amended to read as  
13 follows:

14  
15 "SECTION 20. Time of Completion. - Every owner or developer shall  
16 construct and provide the facilities, improvements, infrastructures and other  
17 forms of development, including water supply and lighting facilities, which  
18 are offered and indicated in the approved subdivision or condominium  
19 plans, brochures, prospectus, printed matters, letters or in any form of  
20 advertisement, within one year from the date of the issuance of the license  
21 for the subdivision or condominium project or such other period of time as  
22 may be fixed by the Authority.

23  
24 THE OWNER OR DEVELOPER SHALL, IN THE CONTRACT,  
25 PROVIDE A SPECIFIC TIMETABLE FOR THE PROJECT, WHICH  
26 TIMETABLE INCLUDES THE PERIOD OF CONSTRUCTION,  
27 EXPECTED DATE OF COMPLETION, EXPECTED DATE OF TURN-  
28 OVER OF THE SUBDIVISION OR CONDOMINIUM UNIT AND  
29 OTHER RELEVANT MILESTONE DATES AS MAY BE PRESCRIBED  
30 UNDER IMPLEMENTING RULES AND REGULATIONS.

31  
32 THE OWNER OR DEVELOPER SHALL STRICTLY COMPLY WITH  
33 ITS OBLIGATION TO COMPLETE THE PROJECT, AND SHALL  
34 DELIVER AND TURN-OVER THE SUBDIVISION OR  
35 CONDOMINIUM UNIT TO THE BUYER NO LATER THAN THE  
36 EXPECTED DATE OF COMPLETION OR TURN-OVER, AS THE CASE  
37 MAY BE."  
38

1 **SECTION 2. *Implementing Rules and Regulations.*** The Housing and Land Use Regulatory  
2 Board, in coordination with the National Housing Authority, and the Housing and Urban  
3 Development Coordinating Council, and other relevant government agencies shall issue  
4 implementing rules and regulations within ninety (90) days from effectivity hereof and such  
5 other rules and regulations as may be necessary to carry out the purpose of this Act.

6  
7 **SECTION 3. *Repealing Clause.*** All laws, decrees, orders, rules and regulations, other  
8 issuances, or parts thereof inconsistent with the provisions of this Act are hereby repealed or  
9 modified accordingly.

10  
11 **SECTION 4. *Effectivity Clause.*** This Act shall take effect fifteen (15) days after its complete  
12 publication in at least two (2) national newspapers of general circulation.

13  
14 Approved,