

**HUDCC RESOLUTION NO. 1**  
Series of 2017

**EXTENDING THE RENT CONTROL ACT**

**WHEREAS**, under Section 2 of Republic Act (RA) No. 9653, otherwise known as the *"Rent Control Act of 2009, the State shall continue to protect housing tenants in the lower income brackets and other beneficiaries from unreasonable rent increases"*;

**WHEREAS**, the Housing and Urban Development Coordinating Council (HUDCC) has been granted the authority to continue the regulation of the rental of certain residential units, to determine the period of regulation and its subsequent extensions, if warranted to determine the residential units covered and to adjust the allowable limit on rental increases per annum, taking into consideration, among others, Philippine Statistics Office (PSA) census on rental units, prevailing rental rates, monthly inflation rate on rentals of the immediately preceding year, and rental price index<sup>1</sup>;

**WHEREAS**, on 08 June 2015, the HUDC Council approved the HUDCC Resolution No. 1 Series of 2015 extending the period of regulation for the Rent Control Act coverage, at status quo rates until 31 December 2017, in light of the required validation and additional data for a more comprehensive recommendation such as Wholesale Price Index for Construction Materials, Real Estate Price Index and Depreciation Costs, among others;

**WHEREAS**, pursuant to the said authority, the HUDCC commissioned the services of the Philippine Statistical Research and Training Institute (PSRTI), an attached agency of the National Economic and Development Authority (NEDA), to conduct a study on rental regulation. PSRTI has submitted its recommendation;

**WHEREAS**, considering certain limitations of the PSRTI study, the Council considered other variations of the PSRTI's initial recommendations summarized as follows:

- 1 - To cover all low income households, proposed rental cut-off is less than PhP5,000 a month. Families in this rental class may have an increase of 2% based on Housing Rental inflation rate of 2% for bottom 30% CPI (This covers 86.79 % of renting families)
- 2 - For households renting PhP5,000 to PhP8,999, the increase shall be 7% based on share of savings to income of the middle income group

<sup>1</sup> Section 6 of Republic Act No. 9653

- 3 - For households renting above Php9,000 to Php10,000 the increase shall be 11% based on total share of savings to income of all income groups in NCR (about 84.04% of families in this rental class is from NCR).

**THEREFORE, BE IT RESOLVED, AS IT IS HEREBY RESOLVED,** that the HUDC Council, pursuant to its mandate enshrined in RA 9653, implements the continued regulation of rent to cover all private residential units in the country with monthly rent of up to Php10,000.00 subject to the following conditions:

- a. After the expiration of RA No. 9653 or the Rent Control Act of 2009 on 31 December 2017, rent control shall continue for a period of three years or from 01 January 2018 to 31 December 2020.
- b. The rent of any residential unit shall NOT be increased by:
  - i. More than Two percent (2%) annually for those paying a monthly rent/ ranging from Php1.0 to Php4,999 per month;
  - ii. More than Seven percent (7%) for those paying a monthly rent of Php5,000 up to Php8,999 for as long as the unit is occupied by the same lessee; and
  - iii. More than Eleven percent (11%) for those paying a monthly rent of Php9,000 to Php10,000 for as long as the unit is occupied by the same lessee.
- c. Provided, that when the residential unit becomes vacant, the lessor may set the initial rent for the next lessee: Provided, further, that in the case of boarding houses, dormitories, rooms and bed spaces offered for rent to students, no increase in rent more than once per year shall be allowed.

**RESOLVED, FURTHER, THAT** rental regulation shall not apply to new residential units, offered for lease, which will be constructed after the approval of this Resolution.

**APPROVED** this 27 November 2017, at Quezon City, Philippines.

**EDUARDO D. DEL ROSARIO**  
Chairman  
Housing and Urban Development Coordinating Council



**ATTY. FALCONI V. MILLAR**  
Secretary General  
Housing and Urban Development Coordinating Council



**ACMAD RIZALDY P. MOTI**  
CEO  
Home Development Mutual Fund



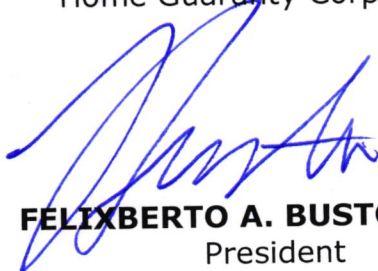
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CEO & Commissioner  
Housing and Land Use Regulatory Board



**CORAZON G. CORPUZ**  
Officer-In-Charge  
Home Guaranty Corporation



**MARCELINO P. ESCALADA, JR.**  
General Manager  
National Housing Authority



**FELIXBERTO A. BUSTOS, Ph.D.**  
President  
National Home Mortgage Corporation



**ATTY. ARNOLFO RICARDO B. CABLING**  
President  
Social Housing Finance Corporation





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Secretary

National Economic Development Authority

**CARLOS G. DOMINGUEZ**

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Department of Finance



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President & CEO

Development Bank of the Philippines