

MEMORANDUM CIRCULAR NO. 01

Series of 2018

TO : ALL CONCERNED

SUBJECT : CIRCULARIZING HUDC COUNCIL RESOLUTION NO. 1, SERIES OF 2018, ENTITLED "PRICE CEILING FOR SOCIALIZED SUBDIVISION PROJECTS"

DATE : 28 September 2018

For the information and guidance of all concerned, quoted hereunder is the full text of HUDC Council Resolution No. 1, series of 2018 entitled "Price Ceiling for Socialized Subdivision Projects":

WHEREAS, Section 2(b) of Republic Act No. 10884, otherwise known as the "Balanced Housing Development Program Amendments" mandates that the Housing and Urban Development Coordinating Council (HUDCC) and the National Economic and Development Authority (NEDA) shall jointly determine and set separate socialized housing price ceilings for socialized subdivisions and socialized condominium projects which shall be mandatorily reviewed or revised every two (2) years;

WHEREAS, the current price ceiling of PhP 450,000.00 for horizontal socialized housing was last adjusted on 16 October 2013 under HUDCC Resolution No. 1, Series of 2013;

WHEREAS, the minimum floor area of 18 sq.m. for socialized housing as provided in the implementing rules and regulations of Batas Pambansa Blg. 220 is not anymore aligned with and responsive to the thrust of the government of providing decent housing under the BALAI Housing Program;

WHEREAS, the inter-agency Housing Policy Working Committee, in its series of meetings, reviewed the existing price ceiling for socialized subdivision projects and recommended the setting of a tiered price ceilings based on graduated minimum floor area requirements in order to spur the development of housing units with larger livable areas;

WHEREAS, after the presentation to and evaluation of the proposed price ceiling by the Heads of the Key Shelter



Agencies, the following price ceilings with the corresponding revised minimum floor area requirements were recommended:

- a) PhP 480,000.00 = 22 sq.m. with loft of at least 50% of the base structure, or 24 sq.m.;
- b) PhP 530,000. 00 = 24 sq.m. with loft of at least 50% of the base structure, or 28 sq.m.; and
- c) PhP 580,000. 00 = 28 sq.m. with loft of at least 50% of the base structure, or 32 sq.m.

WHEREAS, in the review and revision of the housing price ceiling for socialized subdivision projects the following factors were considered:

- a) Definition of socialized housing under Batas Pambansa Blg. 220 which is "housing units which are within the affordability level of the average and low-income earners which is thirty percent (30%) of the gross family income as determined by the National Economic and Development Authority from time to time";
- b) The cost of production and the affordability level of the target market for socialized Housing based on the average income of families belonging to the bottom 30% of income population using the 2015 Family Income and Expenditure Survey data of the Philippine Statistics Authority; and
- c) Section 20 of Republic Act No. 7279, otherwise known as the "Urban Development and Housing Act of 1992", as amended by Section 2 (c) of Republic Act No. 10884 requiring that all savings realized by virtue of the incentives to the private sector participating in socialized housing shall accrue in favor of the beneficiaries.



WHEREAS, having considered the foregoing, the Council finds the proposed tiered price ceiling for socialized subdivision projects reasonable.

THEREFORE, BE IT RESOLVED, AS IT IS HEREBY RESOLVED, that a tiered price ceiling for socialized subdivision projects be adopted and the current price ceiling for socialized subdivision projects be revised and set as follows:

- a) PhP 480,000.00 = 22 sq.m. with loft of at least 50% of the base structure, or 24 sq.m.;
- b) PhP 530,000.00 = 24 sq.m. with loft of at least 50% of the base structure, or 28 sq.m.; and
- c) PhP 580,000.00 = 28 sq.m. with loft of at least 50% of the base structure, or 32 sq.m.

RESOLVED FURTHER, that the Housing and Land Use Regulatory Board be directed to formulate and issue the appropriate technical design and standards for subdivision projects as may be necessary for the implementation of the new price ceilings for socialized subdivision projects.

APPROVED THIS 27th day of April 2018 at Quezon City, Philippines.

The foregoing resolution was published on 12 September 2018 in the Philippines Star (Classfinder B13) and took effect on 27 September 2018 after having satisfied the publication requirement.

Concerned officials, employees and stakeholders are hereby enjoined to support the dissemination and publication of this Circular.

For the guidance of all concerned.



ATTY. FALCONI V. MILLAR, CPA
Secretary General