

[REPUBLIC ACT NO. 9646, June 29, 2009]

**AN ACT REGULATING THE PRACTICE OF REAL ESTATE SERVICE
IN THE PHILIPPINES, CREATING FOR THE PURPOSE A
PROFESSIONAL REGULATORY BOARD OF REAL ESTATE SERVICE,
APPROPRIATING FUNDS THEREFOR AND FOR OTHER PURPOSES**

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

ARTICLE I

TITLE, DECLARATION OF POLICY AND DEFINITION OF TERMS

SEC. 1. *Title.* — This Act shall be known as the. "Real Estate Service Act of the Philippines".

SEC. 2. *Declaration of Policy.* — The State recognizes the vital role of real estate service practitioners in the social political, economic development and progress of the country by promoting the real estate market, stimulating economic activity and enhancing government income from real property-based transactions. Hence, it shall develop and nurture through proper and effective regulation and supervision a corps of technically competent, responsible and respected professional real estate service practitioners whose standards of practice and service shall be globally competitive and will promote the growth of the real estate industry.

SEC. 3. *Definition of Terms.* — As used in this Act, the following terms shall mean:

- a. "Appraiser" also known as valuer, refers to a person who conducts valuation/appraisal; specifically, one who possesses the necessary qualifications, license, ability and experience to execute or direct the valuation/appraisal of real property.
- b. "Assessor" refers to an official in the local government unit, who performs appraisal and assessment of real properties, including plants, equipment, and machineries, essentially for taxation purposes. This definition also includes assistant assessors.
- c. "Real estate" refers to the land and all those items which are attached to the land. It is the physical, tangible entity, together with all the additions or improvements on, above or below the ground.
- d. "Real estate development project" means the development of land for residential, commercial, industrial, agricultural, institutional or recreational purposes, or any combination of such including, but not limited to, tourist

resorts, reclamation projects, building or housing projects, whether for individual or condominium ownership, memorial parks and others of similar nature.

- e. "Real estate developer" refers to any natural or juridical person engaged in the business of developing real estate development project for his/her or its own account and offering them for sale or lease.
- f. "Real property" includes all the rights, interests and benefits related to the ownership of real estate.
- g. "Real estate service practitioners" shall refer to and consist of the following:
 - 1. Real estate consultant — a duly registered and licensed -natural person who, for a professional fee, compensation or other valuable consideration, offers or renders professional advice and judgment on: (i) the acquisition, enhancement, preservation, utilization or disposition of lands or improvements thereon; and (ii) the conception, planning, management and development of real estate projects.
 - 2. Real estate appraiser — a duly registered and licensed natural person who, for a professional fee, compensation or other valuable consideration, performs or renders, or offers to perform services in estimating and arriving at an opinion of or acts as an expert on real estate values, such services of which shall be finally rendered by the preparation of the report in acceptable written form.
 - 3. Real estate assessor — a duly registered and licensed natural person who works in a local government unit and performs appraisal and assessment of real properties, including plants, equipment, and machineries, essentially for taxation purposes.
 - 4. Real estate broker — a duly registered and licensed natural person who, for a professional fee, commission or other valuable consideration, acts as an agent of a party in a real estate transaction to offer, advertise, solicit, list, promote, mediate, negotiate or effect the meeting of the minds on the sale, purchase, exchange, mortgage, lease or joint venture, or other similar transactions on real estate or any interest therein.
 - 5. Real estate salesperson — a duly accredited natural person who performs service for, and in behalf of. a real estate broker who is registered and licensed by the Professional Regulatory Board of Real Estate Service for or in expectation of a share in the commission, professional fee, compensation or other valuable consideration.

ARTICLE II

PROFESSIONAL REGULATORY BOARD OF REAL ESTATE SERVICE

SEC. 4. *Creation and Composition of the Board.* — There is hereby created a Professional Regulatory Board of Real Estate Service, hereinafter referred to as the Board, under the supervision and administrative control of the Professional Regulation Commission (PRC), hereinafter referred to as the Commission, composed of a chairperson and four (4) members who shall be appointed by the President of the Philippines from the three (3) recommendees chosen by the Commission from a list of five (5) nominees per position submitted by the accredited and integrated

professional organization of real estate service practitioners: *Provided*, That two (2) of the members of the Board shall represent the government assessors and appraisers.

The first Board shall be organized within six (6) months from the effectivity of this Act.

SEC. 5. *Powers and Functions of the Board.* — The Board is hereby vested the following powers and functions:

- a. Provide comprehensive policy guidelines for the promotion and development of the real estate industry;
- b. Conduct licensure examinations for the practice of the real estate service profession and prescribe the appropriate, syllabi of the subjects for examination;
- c. Issue, suspend, revoke or reinstate, after due notice and hearing, certificates of registration or professional identification cards for the practice of real estate service;
- d. Maintain a comprehensive and updated register of licensed real estate service professionals;
- e. Monitor the conditions affecting the practice of real estate service and adopt such measures as may be proper for the enhancement of the profession and/or the maintenance of high professional, ethical and technical standards;
- f. Adopt a national Code of Ethics and Responsibilities to be strictly observed by all licensed real estate service practitioners;
- g. Hear or investigate any violation of this Act, its implementing rules and regulations, and the Code of Ethics and Responsibilities for real estate service practitioners and issue *subpoena* and *subpoena duces tecum* to secure the appearance of witnesses and the production of documents in connection therewith;
- h. Safeguard and protect legitimate and licensed real estate service practitioners and, in coordination with the accredited and integrated professional organization of real estate service practitioners, monitor all forms of advertisements, announcements, signboards, billboards, pamphlets, brochures and others of similar nature concerning real estate and, where necessary, exercise its quasi-judicial and administrative powers to finally and completely eradicate the pernicious practices of unauthorized or unlicensed individuals;
- i. Prescribe, in cooperation with the Commission on Higher Education (CHED) or the concerned state university or college, the essential requirements as to the curricula and facilities of schools, colleges or universities seeking permission to open academic courses or already offering such courses in real estate service, and to see to it that these requirements, including the employment of qualified faculty members, are properly complied with;
- j. Promulgate, administer and enforce rules and regulations necessary in carrying out the provisions of this Act;
- k. Supervise and regulate the registration, licensure and practice of real estate service in the Philippines;
 - l. Assess and fix the rate of reasonable regulatory fees;
- m. Administer oaths and affirmations;
- n. Adopt an official seal of the Board;

- o. Evaluate periodically the status of real estate service education and profession, and recommend and/or adopt measures to upgrade and maintain its high standard;
- p. Prescribe guidelines and criteria for the Continuing Professional Education (CPE) program for real estate service practitioners in consultation with the accredited and integrated professional organization of real estate service practitioners;
- q. Screen, issue and monitor permits to organizations of real estate professionals in the conduct of seminars and accredit such seminars pursuant to the CPE program, as well as the instructors or lecturers therein, for the purpose of upgrading the quality and knowledge of the profession;
- r. Monitor and supervise the activities of the accredited and integrated professional organization and other associations of real estate service practitioners; and
- s. Discharge such other powers, duties and functions as the Commission may deem necessary to carry out the provisions of this Act.

The policies, resolutions and rules and regulations issued or promulgated by the Board shall be subject to the review and approval by the Commission. However, the Board's decisions, resolutions or orders which are not interlocutory, rendered in an administrative case, shall be subject to review by the Commission only on appeal.

SEC. 6. Qualifications of the Chairperson and Members of the Board. — The chairperson and the members of the Board shall, at the time of their appointment, possess the following qualifications:

- a. A citizen and resident of the Philippines;
- b. A holder of a bachelor's degree related to real estate;
- c. An active licensed practitioner of real estate service for at least ten (10) years prior to his/her appointment;
- d. A bona fide member in good standing of the accredited and integrated professional organization of real estate service practitioners but not an officer or trustee at the time of his/her appointment;
- e. Neither be a member of the faculty of an institute, school, college or university, nor have any pecuniary interest, direct or indirect, in any institution or association where review classes or lectures in preparation for the licensure examination are being offered or conducted; and
- f. Of good moral character, and must not have been convicted by final judgment by a competent court of a criminal offense involving moral turpitude.

SEC. 7. Term of Office. — The chairperson and the members of the Board shall hold office for a term of three (3) years from the date of their appointment and until their successor/s shall have been appointed: *Provided*, That the members of the first appointed Board shall hold office for the following terms: one (1) member as chairperson, to serve for three (3) years; two (2) members, to serve for two (2) years; and two (2) members, to serve for one (1) year.

The chairperson and the members of the Board may be reappointed for a second term but in no case shall he/she serve continuously for more than six (6) years. Any vacancy in the Board shall be filled for the unexpired portion of the term of the

member who vacated the position. On the constitution of the first Board, the chairperson and the members of the Board shall automatically be registered and issued certificates of registration and professional identification cards. Each member of the Board shall take the proper oath of office prior to the assumption of duty.

SEC. 8. Compensation and Allowances of the Chairperson and Members of the Board. — The chairperson and the members of the Board shall receive compensation and allowances comparable to the compensation and allowances received by the chairman and the members of existing professional regulatory boards under the Commission, as provided for in the General Appropriations Act.

SEC. 9. Removal of the Chairperson and Members of the Board. — The chairperson or any member of the Board may be suspended or removed by the President of the Philippines, upon the recommendation of the Commission, for neglect of duty; abuse of power; oppression; incompetence; unprofessional, unethical, immoral or dishonorable conduct; commission or toleration of irregularities in the conduct of examination or tampering of the grades therein, or for any final judgment or conviction of any criminal offense involving moral turpitude.

SEC. 10. Supervision of the Board, Custodian of its Records, Secretariat and Support Services. — The Board shall be under the general supervision and administrative control of the Commission. All records of the Board, including applications for examination, examination papers and results, minutes of deliberations, administrative and other investigative cases involving real estate service practitioners, shall be kept by the Commission. The Commission shall designate the secretary of the Board and shall provide the secretariat and other support services to implement the provisions of this Act subject to the usual government accounting and auditing rules and regulations.

SEC. 11. Annual Report. — The Board shall, at the close of each calendar year, submit an annual report to the Commission, giving a detailed account of its proceedings and accomplishments during the year and recommending measures to be adopted with the end-in-view of upgrading and improving the conditions affecting the practice of real estate service in the Philippines.

ARTICLE III

LICENSURE EXAMINATION AND REGISTRATION

SEC. 12. Licensure Examination. — Every applicant seeking to be registered and licensed as a real estate service practitioner, except a real estate salesperson, shall undergo an examination as provided for in this Act. Examinations for the practice of real estate service in the Philippines shall be given by the Board at least once every year in such places and dates as the Commission may designate.

SEC. 13. Scope of Examination. — An examination shall be given to the licensure applicants for real estate brokers, real estate appraisers and real estate consultants which shall include, but not limited to, the following: