

**[ REPUBLIC ACT NO. 9653, July 14, 2009 ]**

**AN ACT ESTABLISHING REFORMS IN THE REGULATION OF RENT OF CERTAIN RESIDENTIAL UNITS, PROVIDING THE MECHANISMS THEREFOR AND FOR OTHER PURPOSES**

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

SECTION 1. *Short Title.* — This Act shall be known and cited as the "Rent Control Act of 2009".

SEC. 2. *Declaration of Policy.* — The State shall, for the common good, undertake a continuing program of encouraging the development of affordable housing for the lower income brackets and other beneficiaries.

Toward this end, the State shall continue to protect housing tenants in the lower income brackets and other beneficiaries from unreasonable rent increases.

SEC. 3. *Definition of Terms.* — The following terms as used in this Act shall be understood as:

- a. "Rent" shall mean the amount paid for the use or occupancy of a residential unit whether payment is made on a monthly or other basis.
- b. "Residential unit" shall refer to an apartment, house and/or land on which another's dwelling is located and used for residential purposes and shall include not only building houses, dormitories, rooms and bedspaces offered for rent by their owners, except motels, motel rooms, hotels, hotel rooms, but also those used for home industries, retail stores or other business purposes if the owner thereof and his or her family actually live therein and use it principally for dwelling purposes.
- c. "Immediate members of family of the lessee or lessor" for purposes of repossessing the leased premises, shall be limited to his or her spouse, direct descendants or ascendants, by consanguinity or affinity.
- d. "Lessee" shall mean the person renting a residential unit.
- e. "Owner/Lessor" shall include the owner or administrator or agent of the owner of the residential unit.
- f. "Sublessor" shall mean the person who leases or rents out a residential unit leased to him by an owner.
- g. "Sublessee" shall mean the person who leases or rents out a residential unit leased to him by an owner.
- h. "Sublessee" shall mean the person who leases or rents out a residential unit from a sublessor.

SEC. 4. *Limit on Increases in Rent.* — For a period of one (1) year from its effectivity, no increase shall be imposed upon the rent of any residential unit

covered by this Act: *Provided*, That after such period until December 31, 2013, the rent of any residential unit covered by this Act shall not be increased by more than seven percent (7%) annually as long as the unit is occupied by the same lessee: *Provided, further*, That when the residential unit becomes vacant, the lessor may set the initial rent for the next lessee: *Provided, however*, That in the case of boarding houses, dormitories, rooms and bedspaces offered for rent to students, no increase in rental more than once per year shall be allowed.

SEC. 5. *Coverage of this Act.* — All residential units in the National Capital Region and other highly urbanized cities, the total monthly rent for each of which ranges from One peso (P1.00) to Ten thousand pesos (P10,000.00) and all residential units in all other areas, the total monthly rent for each of which ranges from One peso (P1.00) to Five thousand pesos (P5,000.00) as of the effectivity date of this Act shall be covered, without prejudice to existing contracts.

SEC. 6. *Authority to Continue Rental Regulation.* — Notwithstanding the lapse of the period provided in Section 4 of this Act, the Housing and Urban Development Coordinating Council (HUDCC) is hereby 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, National Statistics Office (NSO) census on rental units, prevailing rental rates, the monthly inflation rate on rentals of the immediately preceding year, and rental price index.

SEC. 7. *Rent and Requirement of Bank Deposit.* — Rent shall be paid in advance within the first five (5) days of every current month or the beginning of the lease agreement unless the contract of lease provides for a later date of payment. The lessor cannot demand more than one (1) month advance rent. Neither can he/she demand more than two (2) months deposit which shall be kept in a bank under the lessor's account name during the entire duration of the lease agreement. Any and all interest that shall accrue therein shall be returned to the lessee at the expiration of the lease contract.

In the event however, that the lessee fails to settle rent, electric, telephone, water or such other utility bills or destroys any house components and accessories, the deposits and interests therein shall be forfeited in favor of the latter in the amount commensurate to the pecuniary damage done by the former.

SEC. 8. *Assignment of Lease or Subleasing.* — Assignment of lease or subleasing of the whole or any portion of the residential unit, including the acceptance of boarders or bedspacers, without the written consent of the owner/lessor is prohibited.

SEC. 9. *Grounds for Judicial Ejectment.* — Ejectment shall be allowed on the following grounds:

- a. Assignment of lease or subleasing of residential units in whole or in part, including the acceptance of boarders or bedspaces, without the written consent of the owner/lessor;
- b. Arrears in payment of rent for a total of three (3) months: *Provided*, That in the case of refusal by the lessor to accept payment of the rent agreed upon, the lessee may either deposit, by way of consignment, the amount in court, or