

[DENR ADMINISTRATIVE ORDER NO. 98-20, May 20, 1998]

REVISED RULES AND REGULATIONS ON THE CONDUCT OF APPRAISAL OF PUBLIC LANDS AND OTHER PATRIMONIAL PROPERTIES OF THE GOVERNMENT

In accordance with Sections 5, 24, 37 and 64(a) of Commonwealth Act No. 141, as amended, Section 2 of Act No. 3038, Section 5, paragraph 2 of Republic Act No. 477, as amended, Section 2 of Batas Pambansa Blg. 233, Section 12 of Act 1120, and Section 2 Republic Act. No. 1361, and in order to secure for the government, reasonable returns from the sale, lease, occupation and utilization of its land resources by private individuals and entities, the following rules and regulations are hereby promulgated for the strict compliance of all concerned.

SECTION 1. DEFINITION OF TERMS — For purposes of this Order, the following terms:

a. *Appraisal* — means an art of estimating the value of an adequately described property. It is not an exact science, but the opinion of value expressed must be educated, which means that the estimate should be supported by pertinent data as basis.

b. *Assessed Value* — means the fair market value of the real property as determined by the provincial, city or municipal assessors, as the case maybe, and adopted through an ordinance of the saggunian concerned, multiplied by the assessment level. It is synonymous to taxable value.

c. *Fair Market Value* — means the highest price in terms of money which a property will bring if exposed for sale in the open market, allowing a reasonable time to find a purchaser who buys with knowledge of all the uses to which it is adopted and for which it is capable of being used. It is the amount of cash for which, in all probability, the property would be sold by an owner willing, but not obliged to sell to a purchaser who desires, but it is not obliged to buy.

d. *Friar Lands* — refer to various estates and other parcels of lands acquired by the Philippine government in 1903 during the American regime from religious orders and private corporations.

e. *Lands of the Private Domain* — refers to a land belonging to and owned by the state as a private individual, without being devoted for public use, public service or the development of national wealth. It is similar to patrimonial properties of the state.

f. *Public Lands* — refers to alienable and disposable lands of the public domain classified as agricultural, residential, commercial, industrial, reclaimed, foreshore,

marshy lands and town site reservations.

g. *Vested Rights* — means a right over a property which is absolute, complete, and unconditional, to the exercise of which no obstacle exists, and which is immediate and perfect in itself and not dependent upon a contingency. To be vested in its accurate legal sense, a right must be complete and consummated, and one of which the person to whom it belongs cannot be divested without his consent. It is some right or interest in property that has become fixed and established; and is no longer open to doubt or controversy.

SECTION 2. COVERAGE — These rules and regulations shall apply to the following properties under the jurisdiction of the DENR and to the improvements existing therein, if any, to wit:

a. Alienable and disposable lands of the public domain subject to disposition under Chapters 5, 6 and 9 of Commonwealth Act No. 141, as amended, and Republic Act No. 730;

b. Lands of the private domain contemplated under Act No. 3038, as amended;

c. Properties covered by Republic Act No. 477, as amended, and other real properties placed under the jurisdiction of the DENR by virtue of executive Order No. 285, series of 1987;

d. Properties within the purview of Republic Act No. 1361, as amended by Republic Act No. 5941; and

e. Friar lands disposed of under Act No. 1120 and Commonwealth Act No. 32;

SECTION 3. MANNER OF CONDUCTING THE APPRAISAL — In conducting the appraisal or re-appraisal, the fair market value of the property shall, as much as possible, be ascertained by considering the following factors, to wit:

a. Extent, classification, location, actual use and development trends of the area;

b. Assessed value and BIR zonal valuation;

c. Sales and holding prices of lands of similar character located in the area;

d. Highest and best use or potential of the property;

e. The purpose for which the property is to be disposed of; and,

f. Other relevant factors or circumstances.

Subject to the limitations that may be imposed under the pertinent laws, proclamations or any other presidential issuance's, in no case shall the appraised or re-appraised value of the property classified as residential or agricultural or primarily used for institutional or recreational purposes, be less than the current assessed value thereof. If the property is classified as commercial or industrial, the appraised or re-appraised value shall be not less than the average of the assessed and zonal values thereof.