
THE MONITORING EFFORTS OF THE DEPARTMENT OF HUMAN SETTLEMENTS AND URBAN DEVELOPMENT XI AGAINST ILLEGAL SUBDIVISIONS IN THE DAVAO REGION

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ABSTRACT

This study aimed to identify the effects of the monitoring efforts of the Department of Human Settlements and Urban Development Region XI against Illegal Subdivisions. This was conducted within Davao Region during the first quarter of 2023. Regulation Officers from the Housing and Real Estate Development Regulation Division of DHSUD XI were the participants in the study. These monitoring efforts by the DHSUD XI were effective and helpful in decreasing illegal subdivisions. Finally, this study suggests working with other organizations to put an end to unscrupulous developers' illegal real estate tactics.

1. INTRODUCTION

Real estate is one of the many industries attracting investments into the Davao region as it positions itself as one of the country's economic pillars. This thriving sector is evident as the number of townships, mixed-use developments, and subdivisions increases. Many reasons, including declining interest rates, rising populations, and increased economic stability, have contributed to the real estate market's rapid expansion. Increased demand and higher prices are the results of an environment in which people are more likely to make real estate investments and purchases. Increases in urbanization, wages, and overall population size have all fueled this expansion. However, a worldwide housing crisis is being fueled by the lack of available, relatively affordable housing. The lack of available affordable housing in the Philippines is a serious issue, particularly in the country's major cities. There appears to be a disparity between the economic development in the country and the status of low-income families. One of the reasons for urban poverty in the Philippines is the limited access of urban households with low incomes to housing. Given that the Davao region is one of the top areas in Visayas and Mindanao in terms of gross domestic product and population, there were concerns about the housing crisis. Still, many people in the Region do not have homes of their own, even though several residential subdivision projects have been built.

Reports have surfaced recently about various places in the region where reasonably priced residential lots are being made accessible to the general public. Many individuals saw advertisements for these lots on social media and decided to buy one immediately or in installments. The Local Government of Davao City, through the City Planning and Development Office, stated that a large number of individuals will want cheap lots and eventually succumb to this scheme, in which they are instructed to build the drainage on their own. Since they lack government-approved plans, this will cause them great trouble and they cannot own or obtain rights to the property because these are agricultural areas. Some do not own the raw lots, and they will promptly vanish after receiving the down payment. (Colina, 2021)

The arrival of property developers is a welcome development, and the government has no qualms about strictly enforcing national laws and zoning ordinances to ensure Davao City's long-term viability. Presidential Decree No. 957 or also known as the Subdivision and Condominium Buyer's Protective Decree was enacted during the administration of the late President Ferdinand E. Marcos to closely supervise and regulate real estate practitioners, owners, and developers in the Philippines. The aforementioned law was created and enacted to protect the public from all types of real estate misrepresentations and fraudulent actions. It designates the Department of Human Settlements and Urban Development (DHSUD), formerly the Housing and Land Use Regulatory Board (HLURB), as the primary government agency in charge of enforcing the law and having exclusive jurisdiction over real estate trade and business. As defined under Presidential Decree No. 957, a subdivision project is a tract or a parcel of land registered under Act No. 496 which is partitioned primarily for residential purposes into individual lots with or without improvements thereon, and offered to the public for sale, in cash or installment terms. Under the same law, Sections 4 and 5 state that "The registered owner of a parcel of land who wishes to convert the same into a subdivision project shall submit his subdivision plan to the Authority which shall act upon and approve the same, upon a finding that the plan complies with the Subdivision Standards' and Regulations enforceable at the time the plan is submitted. The same procedure shall be followed in the case of a plan for a condominium project except that, in addition, said Authority shall act upon and approve the plan with respect to the building or buildings included in the condominium project in accordance with the National Building Code" and "Such owner or dealer to whom has been issued a registration certificate shall not, however, be authorized to sell any subdivision lot or condominium unit in the registered project unless he shall have first obtained a license to

sell the project within two weeks from the registration of the such project.” In other words, A legal subdivision project should be on a titled parcel of land, partitioned with or without improvements, and sellers should be able to present a government-approved plan, as well as the necessary certificates and permits such as certificate of registration and License to Sell. A subdivision, on the other hand, is considered illegal or the sale of raw lots is illegal if the zoning classification under the Certificate of Land Ownership Awards (CLOA) is agricultural, there is no preliminary subdivision development plan from the local government unit (LGU), no development permit from the LGU, and no certificate of registration and license to sell from DHSUD.

According to DHSUD, the number of illegal subdivision projects in the Davao Region is increasing. (Padillo, 2021) Certain physical planning issues are associated with these illegal subdivision projects, including decrepit housing and overpopulation, poor hygiene and sanitation, and inadequate infrastructure services like roads, potable water, and power. These issues have a negative social and economic impact on the environment, which in turn impacts the citizens' quality of life. (Imam, 2011) Therefore the researcher was urged to study the efforts in monitoring these illegal subdivisions in Davao Region.

2. METHODOLOGY

This is qualitative research adopting a phenomenological approach. Qualitative research recognizes that human experiences are subjective and entail several interpretations. For the examination of complicated interactions and processes, it was strongly suggested to utilize this design. Qualitative research contributes most effectively to a deeper knowledge of perceptions, attitudes, and processes. Qualitative research recognizes that human experiences are subjective and involve various meanings (Creswell, 2009). In addition, phenomenology looks into the lived experience of participants or the essence of the consciousness where essence is the phenomenon. In qualitative research, researchers typically used a variety of methods in gathering multiple forms of data, which includes an interview, observations, and documents. After gathering, data were reviewed and analyzed, and organized according to themes (Torrentira, 2020). This study utilized a researcher-made interview guide for the in-depth interview. This was supported by secondary data from the Department of Human Settlements and Urban Development indicating the number of illegal subdivisions being monitored in the Davao Region. The participants of this study were the regulation officers of DHSUD XI assigned to monitor illegal subdivision projects.

3. RESULTS AND DISCUSSIONS

The Monitoring activities of the Department of Human Settlements and Urban Development are anchored on the existing guidelines of HLURB Board Resolution No. 985 Series of 2019 or also known as Approving the 2019 Administrative Rules of Procedure in the Monitoring of Real Estate Development Projects and Imposition of Administrative Sanctions for violation of PD 957 and other related laws and their implementing rules and regulations. Under the said guidelines, issuance of a Notice of Violation and Cease and Desist Order from further selling of lots and collecting amortization payments have to be imposed on the owner/developer who engaged in selling without the license to sell and certificate of registration of the project. The table below shows the number of monitored illegal subdivisions in the Davao Region. A structured interview was conducted with the Monitoring Officers of DHSUD XI to determine the monitoring efforts that affect the data presented below.

Year	No. of Illegal Subdivisions Monitored
2016	5
2017	7
2018	1
2019	4
2020	52
2021	122
2022	153

Monitoring through social media

The unique evolution of the COVID-19 pandemic has resulted in the emergence and expansion of social media as an essential means of rapid information dissemination. Facebook in particular has become a major marketplace for raw and illegal lots, where unaware buyers are drawn in by enticingly low costs. The advertisements circulated online were used as proof and attached to the notice to get the attention of the developer. The challenge in monitoring through Facebook is that there are developers who do not disclose their real identity. Others don't even post the name of the company

unless you message them and ask for further details. Advertisers tend to invite people to a site tripping wherein details of such projects and modes of payments will be discussed.

Information Drive

The information drive and online campaigns against illegal subdivisions helped to minimize the activity. Facebook pages of some LGUs posted owners/developers who allegedly sell subdivision projects without a license to sell. Such posts tend to warn the buyers that they might be scammed which resulted in buyers sending written complaints and others seeking assistance for refund. In this way, the buyers provide details of the projects and the real estate companies who are selling illegal subdivision lots.

Involvement of Local Government Units and other implementing agencies

According to the Local Government Code of 1991, Executive Order No. 71 series of 1993 devolves the powers of the Housing and Land Use Regulatory Board to approve subdivision plans for cities and municipalities to the Local Government Unit (LGU). This signifies that LGUs play a vital role in the monitoring of real estate projects within their cities/ municipalities.

The Office of the City/Municipal Mayor, Barangay Captain, Planning and Development Office, Business Bureau, Registry of Deeds, and Land Management Bureau were given copies of the notices sent to the owner/developer to help the department assist in monitoring the illegal activities in accordance to their powers and functions.

There is a significant impact in Davao City, for instance, since 2021 the Business Bureau implemented the securing of a Certificate of No Objection to renew the Business Permit of businesses engaging in real estate services. Owner/developers are now compelled to comply with DHSUD XI.

The Registry of Deeds of Davao City also requested a Certificate of Exemption in every transfer of title by which upon their verification, the elements of a subdivision project are present to such transaction. However, other provinces, only consider the notices sent by DHSUD as cautious notices and do not affect the transactions of the owner/developer unless provided by a court order.

Joint Memorandum Circular No. 01 Series of 2021

The Creation of the anti-illegal real estate practices inter-agency task force at the national, regional, and local levels provides for mechanisms to address illegal real estate transactions. The said memorandum circular comprises the legal bases and the composition of the said task force. The member agencies are the DHSUD, the Department of Interior and Local Government (DILG), the Department of Justice (DOJ), the Department of Environmental and Natural Resources (DENR), the National Bureau of Investigation (NBI), the Land Registration Authority (LRA), the Professional Regulation Commission (PRC), Philippines National Police (PNP), and LGUs concerned. It has to be a collaboration that aims to end the illicit real estate practices of unscrupulous developers. The roll-out of the said JMC at the local level is ongoing. However, the challenge in this present time is that the new administration does not prioritize the full implementation of JMC 01, thus, no owner/developer has been arrested for such illegal practice.

Imposition of Administrative Sanctions

One of the challenges in the monitoring of illegal subdivision projects is when the owner/developer refuses to respond and others even change their business name and address. Under the HLURB Board Resolution No. 985, non-compliance to the orders set by DHSUD shall be subject to administrative sanction. Complaints that were unaddressed by developers were endorsed to the Human Settlements Adjudication Unit (HSAC) wherein they have the exclusive jurisdiction to hear and decide cases involving real estate development. Other complainants are dismayed since they have to file a case against the seller which is costly on their part. There is no instruction yet as to the writ of execution from DHSUD to HSAC, thus, buyers will be burdened in getting their refunds.

4. CONCLUSIONS AND RECOMMENDATIONS

Given the monitoring efforts of DHSUD XI such as social media monitoring, information dissemination, and collaboration with other government agencies have a significant effect in reducing illegal real estate practices. Real Estate owners/developers are now compliant in processing their subdivision projects to secure a license to sell. In order to eradicate these illegal activities, DHSUD and other related institutions should continue to remind the buyers to seek from the developers the legal documents and warn the owner/developers to stop selling illegal subdivision lots. Further, it will be strengthened if the inter-agency task force will finally take-off and chase these illegal developers. Issues on housing affordability have to be addressed to provide adequate housing to people who are seeking for a house to own. By then, people will no longer be deceived by these lots that are offered at a very low price. Finally, as the primary national government entity responsible for housing, human settlement, and urban development, DHSUD should be the sole and primary planning and policy-making, regulatory, program coordination, and performance monitoring entity for all housing concerns, with a primary focus on access to and affordability of basic human needs.

5. REFERENCES

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