Foreign Ownership of Land in the Philippines

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Real Estate Ownership in the Philippines

Philippines real estate law does not allow outright ownership of real property by foreign nationals. Filipinos and former Filipino citizens and Philippine majority owned corporations (Take note of the Anti Dummy Law) are permitted to own land, buildings, condominiums and townhouses.

Foreign nationals may buy condominiums units in Philippine condos (shares in condominium corporations) as long as not more than 40% of the units in a project are acquired by foreigners (Republic Act No. 4726, otherwise known as the Condominium Act).

Exceptions to the 40% Foreign Ownership of Philippine Real Property

- Land Acquired before the 1935 constitution
- Acquisition through hereditary succession if the foreigner is a legal or natural heir
- Foreigners who acquired Philippine property when they used to be Filipino citizens, will maintain ownership of those properties even after their change of citizenship.
- Former natural-born Filipino citizen subject to the limitations prescribed by Law (Batas Pambansa 185 and R.A. 8179)

1 – For residential purpose – 1,000 square meters of urban land or one (1) hectare of rural land (BP 185)
2 – Cannot own both urban and rural land. Choose one type only.
3 – Previous ownership (when still a Filipino citizen) of residential urban or rural land will lower the 1,000 sq meter and 1 hectare limits above.
4 – Can own a maximum of two (2) lots only.
5 – Those lots must be in different cities or municipalities in the Philippines.
6 – A transferee of residential land acquired under Batas Pambansa Blg. 185 may still avail of the privileges granted under R.A. 7042 as amended by R.A. 8179.

For business or other commercial purpose – 5,000 square meters of urban land or three hectares of rural land. Section 5 of Rule XII states: “the land should be primarily, directly and actually used in the performance or conduct of the owner's business or commercial activities in the broad areas of agriculture, industry and services including the lease of land but excluding the buying or selling thereof.”

- Ownership (when still a Filipino citizen) of urban or rural land used for business purposes will lower the 5,000 square meter and 3 hectare limits.
- Ownership of only one type of land is allowed either urban or rural not both.
- Ownership is restricted to 2 lots. Each lot must be in a different municipality.

Ownership Of Houses or Buildings by Foreigners in the Philippines

Foreigners may own buildings or houses in the Philippines legally; as long as they do not own the land on which it is built.

Foreign individuals, corporations or associations may lease land for a period of 25 years renewable for another 25 years. (P. D. No 471, Fixing a Maximum Period for the Duration of Leases or Private Lands to Aliens)

Companies or individuals investing in the Philippines may receive government permission to lease land for up to 50 years renewable for another 25 years. (Republic Act No. 7652, otherwise know as the Investors’ Lease Act)


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