Land Lease Laws in the Philippines

Both oral and written lease contracts are valid in the Philippines. According to Amanda Carpo of the Carpo Law Office in Manila, foreigners and locals who are interested in leasing a property must be fully aware of the legal regulations before entering into any land lease agreement. The Lawphil Project of the Arellano Law Foundation contains the Civil Code of the Philippines, Articles 1646 to 1688, with governing laws on the lease of urban and rural lands. The Republic Act No. 9161, also known as the Rental Reform Act of 2002, sets forth guidelines regarding the lease of residential units.

Rental and Deposit

- The Rental Reform Act of 2002 states that depending on the agreement, the lessor can demand advance payment even before the date the lease agreement will take effect. This law prohibits advance payments that will exceed the equivalent of one month's advance rent and two month's deposit.

Tenant Eviction

- In Philippine land leases, the contract can freely dictate the specific grounds for the eviction of the lessee. However, the parties involved in the lease must completely agree with the contract stipulations and the grounds mentioned should at least cover the minimum conditions required by law.

The Rental Reform Act of 2002 lists five legal grounds for eviction. These include subleasing and assigning the lease to another person without the written approval of the landlord. Failure to make regular rent payments for three consecutive months may also be a ground for eviction.

The lessor can also repossess the leased land and evict the tenant if he needs the land for his or his family's personal use. When this happens, the landlord is required to notify the lessee three months before the repossession takes place. After the land owner has repossessed the land, he is prohibited by Philippine law to lease the land to another party within one year after the repossession.

The lessee can be evicted if there is a genuine need of the landlord to make necessary land maintenance or unit repairs. The law states that after the maintenance functions or repairs are finished, the evicted tenant has priority in leasing back the land. Lastly, once the lease contract has expired, the lessor can evict the lessee from the premises.

Rent-to-Own Schemes

- The Rental Reform Act of 2002 states that certain lands available for lease in the Philippines are rented under a rent-to-own scheme. When this happens, the lease contract must clearly state that the intention of the lessor for leasing her land is to transfer land ownership to the lessee. The transfer of ownership takes effect after a certain period of time or after a specific payment amount is met, as stipulated in the agreement.

References

- The LAWPHiL Project: Philippine Laws and Jurisprudence Databank
- Global Property Guide: Rents are paid one year in advance in Manila
- Carpo Law: Law Firm Assisting Foreign Companies in the Philippines

Ref.: http://www.ehow.com/list_6836889_land-lease-laws-philippines.html