

Philippine Real Estate & Assets Foreign Ownership

Foreigners can protect their Philippine investments into Philippine real estate and other investment assets. The government provide Foreign Nationals various ways from Retirement Investment Visas to Philippine Incorporation services so they can protect their Philippine investment interests. Contact immigration with your specific requirements.

• Options Available To Provide Complete Benefits & Protection

For foreigners retiring, investing and doing business in the Philippines requires more than one of these options below in conjunction together to best accomplish the total task required by each foreign real estate buyer, retiree, and investor.

• Right To Own Philippine Real Estate Property

Currently the general rule is that only Filipino citizens and corporations or partnerships at least 60% Philippine owned are entitled to acquire land in the Philippines. As an exception to this rule, an alien acquisition of Philippine real estate is allowed in the following cases. Acquisition before the 1935 constitution. Acquisition thru hereditary succession if the foreign acquiree is a legal heir. Purchase of not more than 40% interest as a whole in a condominium project. Purchase by a former natural born Filipino citizen subject to the limitations prescribed by law. A Filipino who is married to an alien retains their Philippine citizenship, unless by their act or omission they are deemed to have renounced their Philippine citizenship.

• Pending Legislation To Provide Foreigners 100% Ownership

Rumor has it that the Philippine Government is considering 100% ownership of Philippine real estate land for foreigners. If and when this happens we will post it here. In the meantime, the information below will provide more insight as to how a foreigner can hold title to Philippine real estate with the most benefits and lowest risk possible.

• Special Visas for Foreigners Investing in the Philippines

There are different visa options available to foreigners that allow foreign investment of Philippine land and Philippine real estate properties. Having the proper Philippine visa in conjunction with your specific requirements is just one step to securely holding title to Philippine real estate as a foreigner. Contact us with your specific requirements so we can provide you with the options that best suits your needs. For Philippine visa and immigration issues only, go to the Philippines Government Bureau of Immigration website for more information on Philippine Visas.
<http://www.immigration.gov.ph/>.

• Foreign Ownership as a Philippine Corporation

The typical common way for foreign nationals to best protect themselves in purchasing and investing in Philippine real estate is for the Foreign national and or foreign corporation to create a Philippine corporation to hold title. This allows the Philippine corporation of a foreign national or foreign corporation the lowest investment risk and more control of their Philippine real estate investments, and other Philippine investment assets. Foreign nationals, and corporations may 100% own a Philippine condominium or town home without the need of forming a Philippine Corporation. For private land, residential home with land lot and or commercial building with land lot ownership the foreign national and or corporation forms a Philippine Corporation to take ownership of the property. A Philippine Corporation with Foreign Nationals as required by Philippine law will be a maximum of 40% foreign owned, and a minimum of 60% Filipino owned. A foreign national may be the sole person on the Philippine corporation bank account once after the Philippine corporation has been created provided the foreigner has the proper Philippine Visa status, and power of attorney agreements. This structure allows the foreign national total control over the funds derived and paid out from the Philippine Corporation and from the income or sale of the asset or real estate property within the corporation. This method is by far the most complete and secure way for foreigners to purchase and hold Philippine real estate assets.

• Form a Philippine Corporation to hold Title Foreign national clients can be provided Philippine incorporation services. Most incorporations are simple and affordable to process depending on the type of corporation to be formed. Different types of corporations have different rules, regulations, and minimum capital funding requirements. Typical incorporations to hold Philippine real estate may be a "General Real Estate" or "Trading or Marketing Company" or something similar to be able to buy, hold and sell Philippine real estate property. Corporations can be formed to conduct business in the Philippines as well. The first step to forming a Philippine Corporation is having Philippine incorporation partners you can trust to be team players with you in your Philippine investment plans. Many times the Philippine incorporators will be Philippine family, relatives, friends, business associates whom the foreign national can trust to be a part of the Philippine corporation. With additional separate legal enforceable agreements such as a power of attorney and other types of agreements, Philippine incorporators become silent partners and team players with foreign investor partners wishing to make Philippine investments without having their investments at risk in case of unforeseen events or changes in their investments plans.

• New Dual Citizenship Laws Affecting Property Ownership

Dual citizenship is now newly available for the following. Dual citizenship means having two citizenships and passports from two different countries. Former Philippine citizens born in the Philippines, but that have immigrated to another country and obtained citizenship of that country. Dual citizenship allows the citizenship holder full rights of possession of Philippine real estate property. Click the following link for more information on [Philippine Dual Citizenship](#).

• Foreigner Married to a Philippine Citizen

If holding title as an individual, a typical situation would be that a foreigner married to a Philippine spouse citizen would hold title in the Philippine spouses name. The foreign spouse name cannot be on the property Title but can be on the contract to buy the property, and should be to document the process taken to obtain such asset. In the event of death of the Philippine spouse, the foreign spouse is allowed a "reasonable" amount of time from the Philippine government to dispose of the property and collect the proceeds or the property will pass to any Philippine heirs and or relatives. As a foreign investor caution should be taken upon considering and taking title to Philippine real estate in this manner. In the event of problems with the Philippine spouse and the investment assets in the Philippine spouse name, the foreign national may not have many rights to the assets or any at all. There have been many cases where the foreign spouse intrusted all of the Philippine assets to the Philippine spouse, then there was a split in the relationship and the foreigner lost his invested monies. We don't want our foreign clients becoming another victim of this. Contact us before choosing this option so we can provide you other options and let you make the decision.

• Foreign Leasing of Philippine Real Estate Property

A foreign national and or corporation may enter into a lease agreement with Filipino landowners for an initial period of up to 50 years, and renewable for another 25 years. Or lease the property in your Philippine Corporation name for an unlimited period of time.

• Former Philippine Citizens

"Balikbayan", which is a former natural born Filipino citizen, and now is a citizen of another country is entitled to own for residential purpose 1,000 square meters of residential land, and one hectare of agricultural or farm land. For business purpose 5,000 square meters of urban land or three hectares of rural land. This is one option for Balikbayans to take ownership of Philippine real estate but the better option that provide less restrictions and more benefits is to form a Philippine corporation.

• Philippine Real Estate Sales Transaction

& Closing Costs

Buyers transaction or closing costs include the following. Documentary Stamp Tax - P5.00 per P1,000 of contract price, or zonal value or fair market value, which ever is higher. Transfer Tax - P5.00 per P1,000 of contract price, or zonal value or fair market value, which ever is higher. Registration Fee - P1.50 per P1,000 of contract price, or zonal value or fair market value, which ever is higher. The seller is responsible for transaction closing cost of capital gains tax. This is Philippine Real Estate Law.

• Philippine Law Real Estate Acquisition and Disposition Definitions

Acquisition is the act of procuring or getting a hold of real estate property. Disposition is the manner of alienation, transfer of possession and ownership thereof as prescribed by the Philippine law. The acquisition and disposition of real estate is embodied in written agreements or contracts voluntarily entered into and subscribed by the selling and buying parties thereof, before a public officer designated as the Notary Public of the City or Province where the subject property is located. Thereafter, the instrument embodying the particular real estate transaction is required by law to be recorded in the Registry of Deeds in the City or Province where the real estate property is involved and located. The Philippines uses the "Torrens" system of real estate ownership. See below for more information.

• Torrens System of Real Estate Ownership

An adapted form of the "Torrens" system of land registration is used in the Philippines. The system was adapted to assure a buyer that if he buys a land covered by an Original Certificate of Title (OCT) or the more familiar Transfer Certificate of Title (TCT) issued by the Register of Deeds, the same will be absolute, indefeasible and imprescriptible. The registered owner will never lose his ownership to squatters no matter how long such land was illegally occupied.

• Condominium Residential Commercial Development Ownership Law

Presidential Decree No. 957, which regulates the sale of subdivision and condominium developments, and providing penalties for violations thereof. The National Housing Authority has exclusive jurisdiction to regulate real estate trade and

business, a function, which is presently exercised by the Housing and Land Use Regulatory Board (HLURB). Certain conditions are required before a license to sell condominium development units and or subdivision development lots and homes is issued to a Filipino or Foreign owned individual or corporation. The requirements include a certificate of registration, a performance bond, and an approval of the building plans and specifications. Violation of these rules could mean fines, cancellation of license and or imprisonment.