Global Corporate Real Estate Guide - Philippines

Planning and Environmental Issues

| Contents |
| --- |
| To generate table of contents, right-click here and select **Update Field.** |

# Who has authority over land development and environmental regulation?

Presidential Decree No. 957, otherwise known as the Subdivision and Condominium Buyers’ Protective Decree, as well as its Implementing Rules and Regulations, require every registered owner or developer of a parcel of land that wishes to convert the same into a subdivision project to obtain a certificate of registration from the Housing and Land Use Regulatory Board (HLURB). Additionally, the owner or the real estate dealer interested in the sale of lots or units in a subdivision project should obtain a license to sell from the HLURB. “Subdivision project” is defined as “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 in installment terms. It shall include all residential, commercial, industrial and recreational areas, as well as open spaces and other community and public areas in the project.”

For tourism development projects, the Department of Tourism (DOT) evaluates such projects for the issuance of permits and the grant of incentives by appropriate government agencies.

The Department of Environment and Natural Resources (DENR) is the lead agency in environmental protection and administration. The DENR is assisted in the formulation and implementation of environmental policies by attached agencies such as the Environmental Management Bureau (EMB) and the Laguna Lake Development Authority (LLDA), local government units, and other governmental agencies and departments.

# What environmental laws affect the use and occupation of real estate?

The use and occupation of real estate are subject to various Philippine laws and regulations that are promulgated for the protection of the environment.

Presidential Decree No. 1586 (“PD 1586”) established the Philippine Environmental Impact Statement (EIS) System. An environmental impact assessment is part of project planning and is conducted to identify and evaluate important environmental consequences, including social factors that may occur if a project will be undertaken. Measures to eliminate or minimize these impacts are incorporated into project design and operations. PD 1586 requires proponents of environmentally critical projects (ECP) and projects within environmentally critical areas (ECA) to obtain an environmental compliance certificate (ECC) prior to the commencement of the project. An ECP is a project or program that has high potential for significant negative environmental impact, while an ECA is an area delineated as environmentally sensitive such that significant environmental impact is expected if certain types of proposed projects or programs are located, developed or implemented in it.

The ECC is a document certifying that based on the representations of the proponent, the proposed project or undertaking will not cause significant negative environmental impact. The ECC also certifies that the proponent has complied with all the requirements of the EIS System and has committed to implementing its approved Environmental Management Plan. The ECC contains specific measures and conditions that the project proponent has to undertake.

The use and occupation of real estate are also subject to the provisions of the Philippine Clean Water Act of 2004 (the “Clean Water Act”) and its implementing rules and regulations. Pursuant to the Clean Water Act, a project owner is required to secure a wastewater discharge permit, which authorizes it to discharge liquid waste and/or pollutants of specified concentration and volume from the property into any water or land resource for a specified period of time. The DENR is responsible for issuing discharge permits and monitoring and inspection of the facilities of the grantee of the permit.

The provisions of the Philippine Clean Air Act and its implementing rules and regulations are likewise applicable to the use and occupation of real estate. The Clean Air Act provides that before any business may be allowed to operate facilities and equipment which emit regulated air pollutants, the establishment must first obtain a Permit to Operate Air Pollution Source and Control Installations. The DENR issues permits to operate air pollution source and control installations, and it also monitors and inspects the facilities of the grantee of the permit.

The following regulatory environmental laws and regulations are also applicable: (i) the Water Code, which governs the appropriation and use by any entity of water within the Philippines; and (ii) the Toxic Substances and Hazardous and Nuclear Wastes Control Act of 1990 and its implementing rules and regulations, which requires waste generators to register with the DENR.

The costs of compliance with such environmental laws and regulations varies on a case-to-case basis, depending on the location of the project, the type of project and the extent of environmental impact as determined in the EIS.

# What main permits or licenses are required for building or occupying real estate?

In addition to environment permits, building permits and related permits that are issued by the local government having jurisdiction over the area where the real estate is located, must be obtained for building and occupying real estate.

Furthermore, a registered owner or developer of a parcel of land that wishes to convert the land into a subdivision project must obtain a certificate of registration from the HLURB. Additionally, the owner or the real estate dealer interested in the sale of lots or units in a subdivision project should obtain a license to sell from the HLURB.

For tourism development projects, the DOT evaluates such projects for the issuance of permits and the grant of incentives by appropriate government agencies.

# Can an environmental cleanup be required?

Yes, environmental cleanup may be required by authorities.

# Are there minimum energy performance requirements for buildings?

Under Republic Act No. 11285 or the Energy Efficiency and Conservation Act, new building construction and retrofit of buildings are required to comply with the minimum requirements specified in the Guidelines of Energy Conserving Design on Buildings issued by the Department of Energy (DOE)(DOE Guidelines).

Adopted by the DOE in 2020, the DOE Guidelines prescribe guidelines and minimum requirements for the energy conserving design of new buildings and major renovation of existing buildings with at least 112.5 kVA of total connected electrical loads or has at least 10,000 square meters total gross floor area.

# Are there other regulatory measures that aim to improve the sustainability of newly constructed and existing buildings?

There are none as of this writing.

©Copyright © 2025 Baker & McKenzie. All rights reserved. **Ownership**: This documentation and content (Content) is a proprietary resource owned exclusively by Baker McKenzie (meaning Baker & McKenzie International and its member firms). The Content is protected under international copyright conventions. Use of this Content does not of itself create a contractual relationship, nor any attorney/client relationship, between Baker McKenzie and any person. **Non-reliance and exclusion**: All Content is for informational purposes only and may not reflect the most current legal and regulatory developments. All summaries of the laws, regulations and practice are subject to change. The Content is not offered as legal or professional advice for any specific matter. It is not intended to be a substitute for reference to (and compliance with) the detailed provisions of applicable laws, rules, regulations or forms. Legal advice should always be sought before taking any action or refraining from taking any action based on any Content. Baker McKenzie and the editors and the contributing authors do not guarantee the accuracy of the Content and expressly disclaim any and all liability to any person in respect of the consequences of anything done or permitted to be done or omitted to be done wholly or partly in reliance upon the whole or any part of the Content. The Content may contain links to external websites and external websites may link to the Content. Baker McKenzie is not responsible for the content or operation of any such external sites and disclaims all liability, howsoever occurring, in respect of the content or operation of any such external websites. **Attorney Advertising**: This Content may qualify as “Attorney Advertising” requiring notice in some jurisdictions. To the extent that this Content may qualify as Attorney Advertising, PRIOR RESULTS DO NOT GUARANTEE A SIMILAR OUTCOME. **Reproduction**: Reproduction or copying of the Content on this Site without express written authorization is strictly prohibited.