

ASSA RECOGNITION AWARD 2017

PROJECT PROPONENT:

Pag-IBIG Fund (Home Development Mutual Fund) - Philippines

CATEGORY:

Innovation Recognition Award

1. NAME OF THE PROJECT:

Pag-IBIG Fund-Led Project with City Government of Malabon: L'Oasis Housing Project

2. OBJECTIVES OF THE PROJECT:

The project has the following objectives:

- a. To partner with project proponents that have identified Pag-IBIG Fund member-beneficiaries for housing units
- b. To promote, through proactive marketing, the Pag-IBIG Fund housing loan programs to project proponents such as local government units (LGUs), employers, and associations

3. NATURE OF THE PROJECT:

The project resulted from the partnership among Pag-IBIG Fund as the financier for individual home buyers, the City Government of Malabon in the National Capital Region as the project proponent, and PHINMA Property Holdings Corporation (PPHC) as the developer.

Employees of the city government of Malabon and other government workers assigned in the city can look forward to less travel time from home to office and back as Pag-IBIG Fund partnered with the City Government of Malabon for the development of L'Oasis Housing Project exclusive for government workers in Malabon.

The undertaking will generate a total of 674 socialized and economic condominium units, each having a floor area of 24 sq.m. The project is comprised of six 5-storey Medium-Rise Buildings (MRBs) which will be constructed on a 10,779.50 sq.m. property owned by the local government unit (LGU) of Malabon along A. Reyes Street in Brgy. Baritan. It is currently on its completion stage.

The LGU as the landowner mandated that all units at the 5th floor (total of 120 units) will be sold at PhP450,000 in consideration of the capacity to pay of minimum-wage earners.

4. WHY IT SHOULD BE RECOGNIZED:

L'Oasis Housing Project is originally a partnership between the local government unit (LGU) of Malabon and PHINMA Property Holdings Corporation (PPHC). PPHC initially submitted an unsolicited proposal to undertake the housing project for LGU Malabon. The LGU subjected the proposal to a Swiss challenge, an acceptable mode of procurement under Republic Act No. 9184, which requires a public authority (usually an agency of government) which has received an unsolicited bid for a public project (such as a port, road, or railway) or services to be provided to government, to publish the bid and invite third parties to match or exceed it. After the required procurement process, the project was eventually awarded to PPHC, and a Memorandum of Agreement was signed between LGU Malabon and PPHC on September 4, 2015.

Pag-IBIG Fund's Business Development Sector, specifically its Institutional Housing Department, assisted in the project conceptualization. This, along with the strengthened partnership among the three parties, led to enhanced condominium units with better appraisal valuation at selling price lower than its original package price. This benefited the project beneficiaries, as the units are actually higher in value than its acquisition cost, thereby giving each beneficiary more value for their money.

There is also no need for the beneficiaries to shell out equity to acquire the property.

Table 1. Appraised Value versus Selling Price

Floor Level	Pag-IBIG Fund Appraisal Value (PhP)	PPHC's Original Selling Price (PhP)	Adjusted Selling Price (PhP)	Maximum Loanable Amount (at 90% appraisal) (PhP)
Ground Floor	1,077,600.00	950,000.00	915,000.00	969,840.00
2 nd Floor	959,800.00	850,000.00	815,000.00	863,820.00
3 rd Floor	842,100.00	750,000.00	715,000.00	757,890.00
4 th Floor	724,300.00	650,000.00	615,000.00	651,870.00
5 th Floor	696,600.00	450,000.00	450,000.00	450,000.00

The project showcased social responsibility, as all the units in the 5th floor are priced at PhP450,000.00, even if all units in the building, regardless of floor level, have the same floor area and specifications. Given this price, minimum-wage earners can then avail of Pag-IBIG Fund's low interest rate of 3% under its Affordable Housing Program, for the first five years of the loan term.

It is also noteworthy that saleable units are lower in price than similar condominium units within the project vicinity.

Table 2. Comparative Appraisal of Nearby Condominiums (all in Malabon City)

Project Name	Juez Residences along M. H. Del Pilar Road, Brgy. Maysilo	Cenel Property Brgy. Concepcion	FINI Homes along M. H. Del Pilar Road, Brgy. Maysilo	L'Oasis Brgy. Baritan
Selling Price per sq.m.	Studio Type (24 sq.m.) PhP1,260,000.00	Studio Type (27 sq.m.) PhP1,808,792.00	Studio Type (21 sq.m.) PhP1,260,000.00	Studio Type (24 sq.m.) PhP915,000.00

Project Details

Developer: PHINMA Property Holdings Corp. (PPHC)

Structure: Six 5-Storey Medium-Rise Building

Lot Area: 10,779,50 sq.m. property owned by LGU Malabon

Total Number of Units: 674 condominium units

Floor Area per Unit: 24 sq.m.

Unit Sharing, LGU Malabon: 48 units (inclusive of the model unit), to cover LGU's recovery of the cost of land

PPHC: 626 units

Total Available Folders Ready for Delivery: 30 accounts

Approved Funding Allocation: PhP140.904 Million, for 206 units

Delivery Schedule: June 2017 to September 2017

Total Number of Reservations: 218 accounts

Table 3. Breakdown of Reservations

LGU Employees	45
Philippine National Police	21
Bureau of Jail Management and Penology	2
Department of Education (private and public school teachers)	59
Constituents residing in Malabon	15
Constituents residing outside Malabon	76
Total	218

The project, **Pag-IBIG Fund-Led Project with City Government of Malabon: L'Oasis Housing Project**, deserves to be recognized by the ASEAN Social

Security Association because it is an innovative activity that involved the tri-partite partnership among Pag-IBIG Fund (that not only financed the end-buyers but also ensured that its member-buyers are getting the most value for their investment through lowered interest rates for minimum-wage earners, among other moves), the City Government of Malabon (that demonstrated its political will to implement the project), and PHINMA Property Holdings Corporation or PPHC (that willingly lowered its profit margin despite front ending the project development cost). This led to benefits accrued to the project beneficiaries: much lower cost compared to condominium units in the vicinity, higher value for money for beneficiaries because they are buying a property at lower value than market price, among others).