

## Renters vs. Owners in the Distribution of Project Benefits: The Tondo Code of Policies

MILA A. REFORMA\*

*The Code of Policies for Tondo Foreshore defines the use and distribution of project benefits among the different types of families in Tondo. As a result of the enforcement of some of its provisions, it has reduced the incidence of ownership of more than one structure, absentee landlords, and illegal sale of structures, while increasing the number of those who have so far gained access to the direct benefits of the project. Analysis of the extent of multiple occupancy and of the characteristics of different types of families in the project area as well as other similar squatter settlements point to certain policy options that could ensure that similar future upgrading efforts are able to reach appropriate by more beneficiaries. Foremost of these include: (1) pilot testing of an innovative tenure arrangement; (2) the adoption of a code of policies similar to that of Tondo in other project sites including strict enforcement of its provisions; and (3) the inclusion of certain types of renter families as direct beneficiaries of the project.*

### Introduction

The sequence of events that describe the growth of slum areas in the Philippines from the construction of shanties by the first families who moved into the site of current conditions of extreme squalor and high densities, occurs with such a regularity that in Tondo, as well as in other squatter areas, this pattern of growth can be reflected by a typology of families which describes the tenorial relation of the family to the structure that it occupies.

In the early stages of settlement, it can be surmised that the majority, if not all, of the families put up their own structures and can thereby claim ownership of the dwelling units. As an increasing number of families continue to move in and as space to build on progressively decreases, newcomers are absorbed as renters by the longer-established families. The more enterprising structure owners would have

constructed other structures expressly for this purpose, or simply extended their structures to provide more floor space. In the meantime, adult members of families would have started families of their own and continued to live with their families of orientation.<sup>1</sup>

In 1974 when a census of Tondo was carried out for the purpose of tagging structures, a large proportion (63 percent) of the families were found out to own the structures that they occupied, while about 27 percent were renting houses. Members of the extended family and other relatives who were "sharing" or who had no formal arrangements with the owners as to payments represented a small ten percent.

Shortly after the census and tagging procedure, the Project Team adopted the Code of Policies for Tondo Foreshore that set the use and distribution of project benefits among the differ-

\*Associate Professor and Director, Research and Publications Program, College of Public Administration, University of the Philippines.

<sup>1</sup>The extended family is a conspicuous feature of Filipino kinship systems. It is not uncommon to come upon a house sheltering individuals representing three generations.

ent types of families. The scarcity of land and estimates of the total number of plots that could be generated provided the rationale for limiting lot ownership to legitimate owners of tagged structures. Renters, on the other hand, were made prospective direct beneficiaries who may acquire property by virtue of sale or transfer of "rights" of a legal or tagged structure.

Certain provisions in the Code of Policies stipulate the manner by which renters may become direct beneficiaries of the project, and increase the likelihood of their being able to own structures and/or lots within the project area. These provisions state that:

- (1) Only censused households (renters, rent-free-occupants, and other households) are qualified to purchase the "rights" over a tagged structure.
- (2) Absentee structure owners are disenfranchised, and are required to exercise any of the following three options:
  - (a) to sell his structure to a duly censused household after giving the censused occupant the opportunity to exercise the right of pre-emption;
  - (b) To sell his structure to the National Housing Authority; and
  - (c) to demolish his structure if such is not rented by a censused household.
- (3) Ownership of lot is restricted to only one per beneficiary family. Censused households owning

more than one (1) tagged structure are required to exercise any one of the same options over his other structure (s).

To further ensure that the rights of censused renters as prospective owners are protected, the Code of Policies also provides that:

- (1) The censused owner who sells his tagged structure to an uncensused owner will be disenfranchised;
- (2) Uncensused buyers will not be allowed to occupy the structure that they purchased; instead, they are required to exercise any one of the three options previously mentioned;
- (3) The censused and rent-paying households are protected from illegal eviction by house owners; renters may be legally evicted only on the following grounds:
  - (a) lack of payment of the rental stipulated;
  - (b) violation of any of the conditions agreed upon in the contract; and
  - (c) the use of the thing leased for any purpose not stipulated which causes its deterioration.

The censused renter who is ejected on legal grounds, however, does not in any manner lose his rights and benefits in the project. He may continue to reside within the area. He must, however, inform the Project Team of his new address so as not to be classified as absentee.

A censused renter may be disenfranchised on several grounds:

- (1) sub-leasing a structure/dwelling unit or its portion to an uncensused household;
- (2) having been declared and verified as absentee; and
- (3) allowing himself to be used as dummy to acquire temporary/vested rights over a land or structure/dwelling units in Tondo Foreshore.

The adoption of provisions such as those found in the Tondo Code of Policies permits renters to acquire property with a high degree of probability. First, a sizeable proportion of the structures in squatter areas are owned by absentee landlords, whose renters stand to gain from the disenfranchisement of the landlords. Secondly, there are significant proportions of both renters and owners who own lots and/or structures elsewhere in Metro Manila, and thereby have recourse to the use of these properties. Other renters who have nowhere else to go can then acquire the structures within the project area. Thirdly, ownership of more than one structure is not an uncommon occurrence, particularly in government-owned lands. Limiting ownership of structures to only one per censused household will free the other structures owned for purchase by renters in the area. Fourthly, any direct beneficiary, who, for one reason or another, wishes to relinquish his rights to the benefits of the project may sell his structure to a censused renter. And lastly, while not explicitly stated in the Tondo Code of Policies, the possible generation of additional plots during reblocking stand to provide renters the opportunity to become owners.

### Objectives of the Study

This paper aims to provide the management of the National Housing Authority with information that may be used as material for the planning, formulation, and review of policies that relate to shelter and the distribution of benefits among those included in current housing programs. The paper will:

- (1) describe the extent of multi-household occupancy and renting in Tondo, as well as in other slum communities in Metro Manila, and how this bears upon the decision on how benefits are to be distributed among the different types of households in a given area;
- (2) analyze characteristics and present conditions of renting families in Tondo vis-a-vis owners to determine the appropriateness of the present Code of Policies;
- (3) analyze the manner in which such regulations as contained in the Code of Policies may apply to other upgrading projects given the characteristics of other communities;
- (4) analyze the effects of the project on renter families; and
- (5) draw up policy options and alternatives to ensure that future upgrading projects are able to "reach" these families more appropriately.

The study makes use of the results of baseline surveys of households in Tondo and those found in three other squatter communities in Metro Manila carried out in 1978 and in 1979. The three other communities are found in the municipalities of Malabon, Man-

daluyong, and Parañaque, and comprise the control population. The sample households were classified according to their tenure status, and the characteristics of each group were tabulated and analyzed.

### Extent of Multi-Household Occupancy and Renting

The cross-section of the structures included in the sample reveals that the space originally used for the needs of a single household has been subdivided into a number of rooms, cubicles, and bed spaces that would permit the residence of up to eleven households (see Table 1). The phenomenon of multihousehold occupancy is more pronounced in the three control areas of Malabon, Parañaque, and Mandaluyong, where 45.6 percent of structures with the same characteristic is less in Tondo, where only 39.8 percent of structures are observed to be occupied by a number of households. The extent of multiplicity is similarly higher in control areas, where as much as eleven households occupy a single structure. Tondo structure in comparison have less, with the largest number of households known to be living in a single structure being eight only.

The most common case of multiplicity is where one structure is occupied by the owner-household, together with one renter household. About 17.7 percent of the structures in Tondo are occupied by the owner-household and one renter-household. The control group areas have less (12.8 percent) structures occupied in this manner. For the most part, however, structures are occupied solely

by owner households. With more than half of the structures occupied only by the owner-households, single-owner occupancy is more common in Tondo, than in the control group areas.

There are very few cases of joint ownership of structures, where two to three owners jointly own and occupy a structure. In a few cases, two to three renter households are also observed to be residing with the multiple owners.

A small but significant proportion of the structures are not occupied by the owners, and provides an indication of the extent of absentee landlords. The enforcement of the provision in the Code of Policies in Tondo may be responsible for the low proportion of structures that are not owner-occupied: only 16 percent of structures have this characteristic as compared to the 23.6 percent rate in other slum areas.

In Tondo, as well as in other slum communities in Metro Manila, a significant proportion of the population in 1978 were found to be renters (see Table 2). Almost half of the households in Tondo are renters of some kind, and the proportion of this type of family is even much larger elsewhere. The typology of renters are as varied as the conditions that permit them to stay within the lot or structure that they occupy. There are those who occupy whole structures, some of whom built their own houses and simply paid rent for the lot; there are those who rent portions of the structure, which range from tiny all-purpose cubicles to an entire section of a duplex or triplex; and there are those who live within the structure without having to pay any rent.

Table 1. Distribution of Structures By Type of Occupancy, Tondo and Control Group Areas, 1978

Type of Occupancy	Tondo		Mandaluyong		Malabon		Parañaque	
	N	%	N	%	N	%	N	%
Single - owner occupied	529	52.1	29	29.0	42	50.0	55	45.5
One - owner with	314		50		31		24	
1 Renter household	180	17.7	19	19.0	16	19.0	10	8.3
2 Renter households	78	7.7	11	11.0	12	14.3	10	8.3
3 Renter households	33	3.2	12	12.0	2	2.4	4	3.3
4 Renter households	14	1.4	7	7.0	1	1.2		
5 Renter households	6	0.6						
6 Renter households	2	0.2	1	1.0				
7 Renter households								
8 Renter households	1	0.1						
Joint - owner occupied	10				2			
Two owners only	7	0.7						
Two owners with								
Two renters	1	0.1						
Three renters	1	0.1			1	1.2		
Three owners	1	0.1			1	1.2		
Non-owner occupied	162		21		9		42	
1 Renter household	82	8.1	11	11.0	5	5.9	24	19.8
2 Renter households	41	4.0	3	3.0	2	2.4	14	11.6
3 Renter households	20	2.0	3	3.0	1	1.2	3	2.5
4 Renter households	14	1.4	1	1.0	1	1.2		
5 Renter households	5	0.5	2	2.0				
6 Renter households								
7 Renter households			1	1.0				
8 Renter households								
9 Renter households								
10 Renter households								
11 Renter households							1	0.8
Total No. of Structures	1015	100.0	100	100.0	84	100.0	121	100.0
Total No. of Households	1715		237		147		193	

Structure owners may or may not own the lot on which the structure is constructed. In Tondo, a small percentage of the structure owners (1.2 percent) do not own the lot but pay nominal rents for occupying the lot. The group also constitutes about 1.2 percent of all renters and about .5 percent of the total population of

Tondo. In the other slum communities, the incidence of households who own the structure but pay rent for the lot is contingent on whether the land is privately-owned or is public government land. Where the area is predominantly privately owned the incidence of lot-renting is high, such as that prevailing in Mandaluyong

Table 2. Distribution of Households by Tenure Status, Tondo and Control Group Areas, 1978

Tenure Status	Tondo		Mandaluyong		Malabon		Parañaque	
	N	%	N	%	N	%	N	%
Owens structure (and lot)	854	49.8	28	11.8	78	53.1	77	40.0
Owens structure, rents lot	10	0.6	51	21.5			2	1.0
Rents structure	75	4.4	9	3.8	1	0.7	12	6.0
Rents room	437	25.5	116	49.0	33	22.5	70	36.3
Rent-free	339	19.7	33	13.9	35	23.8	32	16.6
Total	1715	100.0	237	100.0	147	100.0	193	100.0

In Tondo, which is mostly government land, there expectedly is a low proportion of house owners paying rent for the lot on which their structures stand.

Room renters comprise about half of the total population of renters in Tondo and about 26 percent of the total population of households. Similarly, the control group areas have a fairly large proportion of room renters to the total number of renters (55.6 percent). In relation to the entire population, however, room renters comprise a larger segment than that found in Tondo.

Rent-free occupants (RFOs) who in most cases are related to the structure owners by sanguinity or familial ties constitute the second largest group of renters (39.4 percent of renters) and roughly one-fifth of the total population of households (19.8 percent). In other slum areas, rent-free occupants constitute about a quarter of the population of renters and about 17.3 percent of the total population of households.

The proportion of renters occupying whole dwelling units is very small (8.7 percent) in Tondo, and represents only 4.4 percent of the total households in the Project area. The proportions are similarly small in other slum areas, where only 3.8 percent of the total population rent the entire structure, and constitute only 5.6 percent of the population of renters.

#### Characteristics of Renters

Survey results (see Table 3) show that large segments of the present household population are not qualified as beneficiaries of the project having lived within Tondo for a period of five (5) years or less, and have not been included in the census-tagging operation. By far the largest group (42%) is represented by room renters, followed by renters of entire dwelling units (28 percent). Rent-free occupants and owners comprise 20 percent and 5 percent, respectively.

The incidence of uncensused owners being found in the area is an indication of the sale of structures to un-

Table 3. Distribution of Household Heads By Tenure Status  
and Length of Stay in Tondo and Control Group Areas, 1978

No. of Years Living in Project Area	Tondo									Control Group										
	Structure (and Lot) Owners		Structure Owners, Lot Renters		Structure and Lot Renters		Room Renters		Rent-free Occupant		Structure (and Lot) Owners		Structure Owners, Lot Renters		Structure and Lot Renters		Room Renters		Rent-free Occupant	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Less than 1 Year	1	0.1			2	2.7	18	4.1	8	2.4			2	9.1	17	7.8	1	1.0		
01 - 05	44	5.2			19	25.4	169	38.7	61	18.0	19	10.4	3	5.7	6	27.3	115	52.5	25	25.0
06 - 10	158	18.5	1	10.0	16	21.3	91	20.8	57	16.8	33	18.0	4	7.5	3	13.6	47	21.5	20	20.0
11 - 15	136	15.9	1	10.0	14	18.7	45	10.3	32	9.4	37	20.2	13	24.7	5	22.7	14	6.4	16	16.0
16 - 20	129	15.1			6	8.0	33	7.6	39	11.5	52	28.4	17	32.1	5	22.7	15	6.8	15	15.0
21 - 25	80	9.4	1	10.0	4	5.3	15	3.4	17	5.0	18	9.9	12	22.6			3	1.4	8	8.0
26 - 30	108	12.6	5	50.0	3	4.0	22	4.8	32	9.4	11	6.0	2	3.8			2	0.9	3	3.0
31 - 98	103	12.1	1	10.0	4	5.3	10	2.3	13	3.8	3	1.6	1	1.9	1	4.6				
99	95	11.1	1	10.0	7	9.3	35	8.0	80	23.7	10	5.5	1	1.9			6	2.7	12	12.0
<b>TOTAL</b>	<b>854</b>	<b>100.0</b>	<b>10</b>	<b>100.0</b>	<b>75</b>	<b>100.0</b>	<b>437</b>	<b>100.0</b>	<b>339</b>	<b>100.0</b>	<b>183</b>	<b>100.0</b>	<b>53</b>	<b>100.0</b>	<b>22</b>	<b>100.0</b>	<b>219</b>	<b>100.0</b>	<b>100</b>	<b>100.0</b>

censused families, of absentee landlords who have returned to their structures, or of new households establishing residence in the area illegally.

The large numbers of uncensused renters particularly that of room renters, brings to the fore the difficulty or lack of enforcement of the Code of Policies, specifically, the provision that would disenfranchise any censused household who leases or sub-leases a structure or any part of it to an uncensused household.

Data indicate that among all the groups representing uncensused households, those who own structures but who pay rent for the lot are the most well-off: their average income is ₱1,333 per month (see Table 4). This type of household has more in terms of possession of items, such as air-conditioning units, stereos, telephones, TV sets, and the like, and are the most established families by virtue of being the earliest residents on site.

This group is similarly set apart by the highest level of servicing of their structures. Some 40 percent of these families have water, 80 percent have toilets, and 100 percent have electricity available to the structure. In addition to this, they have higher expenditures for water and electricity than any other type of family.

Having lived in the area the longest, these families are paying only small amounts for lot rental, with 60 percent of the households paying less than ₱50 per month. This amount, however, is almost 4.5 times as high as the amounts being paid by lot renters in other slum areas elsewhere,

where average monthly rentals come up to only ₱12.80.

The characteristics of renters who occupy whole dwelling units closely approximate those who own structures. They have almost the same average incomes (₱976 for owners, ₱967 for renters of whole dwelling units) and are just about equal in terms of household possessions (of household items) such as TV sets or radios; the most well-off among renters come up to the same level as the owners, and the poorest among the two types of household are at similar situations.

This particular type of renting household, however, live in structures better provided with facilities. Some 30.7 percent have water available to their structures, and 89.3 percent have electricity. The proportion of owners who have these facilities is lower, at 13 percent and 83.2 percent, respectively.

A little over half (52.1 percent) of the dwelling units occupied by these renters have toilets as compared to 45.7 percent of those occupied by owners. These families, however, spend a little less for water and electricity than owners, and have lived in the area for a shorter period of time.

Room renters appear to be the poorest of all the households, with average incomes of ₱700 a month. A close look at their income distribution, however, discloses that almost two-thirds of all these families earn less than this amount. They also pay small amounts for electricity and water, which average ₱4.92 and ₱16 per month, respectively. As can be reasonably expected, the greater pro-



Table 4. Distribution of Households By Tenure Status and Monthly Income  
Tondo and Control Group Areas

Income	Tondo										Control Group									
	Structure (and Lot) Owners		Structure Owner, Lot Renters		Structure and Lot Renters		Room Renters		Rent-Free Occupant		Structure (and Lot) Owners		Structure Owner, Lot Renters		Structure and Lot Renters		Room Renters		Rent-Free Occupant	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
F 1 - 100	1	0.1	--	--	1	1.3	--	--	4	1.2	2	1.1	2	3.8	--	--	2	0.9	5	5.0
101 - 200	3	0.3	--	--	--	--	5	1.2	2	0.6	4	2.2	1	1.9	--	--	1	0.5	4	4.0
201 - 300	15	1.8	--	--	4	5.3	12	2.8	15	4.4	7	3.8	--	--	--	--	5	2.3	2	2.0
301 - 400	39	4.6	--	--	4	5.3	48	11.0	44	12.9	12	6.5	3	5.7	2	9.1	26	11.9	24	24.0
401 - 500	66	7.8	1	10.0	7	9.3	55	12.6	47	13.8	14	7.7	3	5.7	--	--	37	16.9	10	10.0
501 - 600	90	10.5	1	10.0	9	12.0	65	14.8	60	17.6	22	12.1	3	5.7	2	9.1	37	16.9	12	12.0
601 - 700	90	10.5	1	10.0	8	10.7	67	15.2	31	9.1	26	14.2	6	11.3	5	22.7	39	17.8	12	12.0
701 - 800	78	9.2	--	--	6	8.0	30	6.9	21	6.2	10	5.5	7	13.2	3	13.6	9	4.1	4	4.0
801 - 900	68	8.0	1	10.0	2	2.7	38	8.7	37	10.9	12	6.6	5	9.4	2	9.1	17	7.7	6	6.0
901 - 1000	75	8.8	--	--	3	4.0	31	7.1	16	4.8	18	9.9	2	3.8	2	9.1	20	9.1	3	3.0
1001 - 1200	49	5.7	1	10.0	3	4.0	17	3.9	10	3.0	13	7.1	5	9.4	1	4.5	8	3.6	3	3.0
1201 - 1400	84	9.8	--	--	18	24.0	30	6.8	12	3.6	13	7.1	5	9.4	1	4.5	7	3.2	4	4.0
1401 - 1600	43	5.0	--	--	4	5.3	7	1.6	4	1.2	8	4.3	5	9.4	2	9.1	7	3.2	2	2.0
1601 - 1800	41	4.8	1	10.0	1	1.3	10	2.3	8	2.4	1	0.5	1	1.9	--	--	1	0.5	1	1.0
1801 - 2000	24	2.8	1	10.0	1	1.3	7	1.6	10	3.0	6	3.3	1	1.9	1	4.5	1	0.5	2	2.0
2001 - 3000	16	1.8	1	10.0	2	2.7	3	0.7	4	1.2	4	2.2	2	3.8	--	--	--	--	1	1.0
3001 - 4000	43	5.0	2	20.0	5	6.7	7	1.6	13	3.9	6	3.3	1	1.9	--	--	2	0.9	2	2.0
4001 - 5000	15	1.8	--	--	--	--	2	.5	--	--	1	0.5	1	1.9	1	4.5	--	--	3	3.0
Above - 5000	5	0.6	--	--	--	--	1	0.2	1	0.3	3	1.6	--	--	--	--	--	--	--	--
	9	1.1	--	--	1	1.3	2	0.5	--	--	1	0.5	--	--	--	--	--	--	--	--
	854	100.0	10	100.0	75	100.0	437	100.0	339	100.0	183	100.0	53	--	22	100.0	219	100.0	100	100.0

portion of these households are less able to acquire household items such as appliances or luxuries.

However, despite the fact that they represent the latest newcomers to the site, they are reported to have almost the same level of servicing for water, electricity, and toilets as structure owners. This relates directly to the fact that both households occupy the same structure.

Rent-free occupants, who are mostly kinsmen of the owner of the structure, have been residing in the area for almost as long as the owners. This may be explained by the observation that the RFOs are often the sons and daughters of the owners who continue to live in the structure even after having established a family of their own. Their socioeconomic profile resembles that of room renters who pay almost the same amounts for water and electricity. They do not, however, pay rent for their occupancy of a portion of the structure.

These households appear to be better off than room renters in terms of appliances and other items despite having incomes very similar to room renters. This may come as a consequence of the rent-free occupants who are able to spend on amenities what would otherwise have gone to rent. And because they share with the owners the same structure, these households report almost the same level of servicing facilities.

The affordability of the renter families — in comparison with owner families — was examined in order to assess the degree to which this factor may determine the decision to move out. Using the monthly amortization

of ₱45 for the average 48 sq. m. lot as an index, the project would be affordable by the following: 75 percent of structure and lot owners; 40 percent of those who own structures but rent lots; 69.5 percent of families renting entire dwelling units; 46 percent of room renters; and 58 percent of rent-free occupants.

The affordability profile would suggest that owners of structures/lots and renters of entire dwelling units are in a better position to pay for the project costs. Conversely, it would appear that most room renters and a very substantial number of rent-free occupants will be unable to afford the project.

#### Effects of Reblocking on Renters

Dislocation of renters has been most observed in areas where structures need to be relocated to give way for major development projects such as the clearance of the International Port site, the construction of Radial Road 10 (R-10), and the reclamation of the Vitas River and Fishermen's Channel. Whether or not these renters would still be accommodated once the structures are relocated to their designated areas depends solely upon the discretion of the owner. It has been observed, however, that the great majority of the relocated owners were unable to accommodate their renters in the resettlement site. This is expected as the owners are in the process of constructing dwelling units and therefore have little or no provision for rental spaces.

In most cases, the first priority of displaced renters is to stay within the project area. Those who cannot immediately find the place to transfer

temporarily join relatives or friends in the area while scouting for dwelling units. A few who have ready financial resources keep a sharp lookout for opportunities that will allow them to buy tagged structures that would qualify them for lot allocations. The last alternative that could be taken is to join the "balik-probinsiya" (return to the province) or to apply for resettlement in distant suburbs.

A number of censused renters affected by the construction of R-10 have been accommodated in the Bagong Lipunan Condominium II, specifically, in the 6-storey condominium where these affected censused households are given priority for occupancy. Censused households have likewise been adversely affected by the implementation of reblocking plans. This is observed particularly among households whose structures had to be dismantled or moved to nearby lots generated by reblocking. Other owner households whose structures did not suffer damages but who took the opportunity of reblocking to build completely new structures have similarly caused renters to seek other dwelling units while the owners are constructing the new houses.

In sum, reblocking may have affected a substantial number of renters in a number of ways, but not sufficient to cause their movement away from the area.<sup>2</sup> The most relevant factor at hand is the finding of a related study that 77.5 percent of

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<sup>2</sup>The study "Preliminary Estimates of Project Turnover," Tondo Foreshore-Dagat-Dagatan Development Project Report Series 80-5, National Housing Authority, Research and Analysis Division, 1980 presents results that indicate that most of the renters leaving Tondo are from unreblocked areas.

owners had increases in lot sizes from 31-60 sq. meters, sufficient space to build upon and accommodate renters from the area.<sup>3</sup> With many of the owners increasing floor space, the probability of allocating portions of the house to renter families rises proportionately, and the renters temporarily displaced from one structure find rooms in another.

In Tondo, enforcement of the Code of Policies has so far resulted in some 932 renter-households becoming owners, representing 11.6 percent of the total number of censused renters. Furthermore, some 164 censused renters are now prospective owners of the condominium units built in one section of the site. These renters are present occupants of the units and contracts for the purchase of these units are in process, bringing the proportion of renters who have so far gained access to the direct benefits of the project to 13.7 percent.

Closer examination of the transfer of properties indicate that 247 of the cases or about 26.5 percent were due directly to the enforcement of the Code of Policies. These cases relate to ownership of more than one structure (34), absentee owners (196), and illegal sale of structure (17). The rest were cases of voluntary abdication of the rights to the property for various reasons, foremost of which is the perceived inability of the owner to afford the monthly development charges. Other reasons cited are the necessity to repair the structure and

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<sup>3</sup>Mila A. Reforma, "House Consolidation Study," Tondo Foreshore-Dagat-Dagatan Development Project Report Series 80-2, National Housing Authority, Research and Analysis Division, 1980.

aversion to having to relocate to Dagt-Dagatan.

### Policy Implications

The foregoing analysis of the extent of multiple occupancy and the characteristics of renting households raises a number of policy implications.

The extent of multiple occupancy is such that any alternative other than that of providing one lot per structure would require extremely complicated and unwieldy procedures. Rent-free households and those who rent rooms alone comprise 45 percent of the entire Tondo population, and close to 61 percent of the population of slum areas elsewhere in Metro Manila. Even if a procedure ensuring equitable distribution of project benefits were devised and adopted, ground densities are too high to permit the construction of more structures over the already densely-built-up sites.

Given the extreme difficulty of providing more lots, the possibility of establishing joint ownership over the properties may merit some attention. There may appear to be little difficulty in carrying out this arrangement between two households occupying the same structure, but the number of complications rises sharply when ownership is extended to more parties. For one, it would require a sizeable administrative machinery that would oversee the apportioning of rights, as well as responsibilities, and also be able to adequately deal with a large number of legalistic issues that may arise from an experimental tenure system such as this.

A system involving joint ownership, however, may be applied on a small

but suitable slum area on a pilot basis. This would permit gauging the response of the community to an innovative tenure arrangement, and would be invaluable in providing further policy guidelines. To carry this out requires that most, if not all, community relations activities be geared towards enabling the community to make the transition from operating with the concept of sole and absolute ownership to the alternative system. It will require vigorous and sustained effort, and an administrative machinery that is creative, as well as responsive, to the needs of the situation.

In Tondo, an exploratory study should be made on the feasibility of applying joint ownership on a very limited scale. Available data points out that about 25 percent of owners may be unable to afford the payments for the project, and enlisting these households to participate in joint ownership with censused renters may provide an alternative solution to the affordability problem. This would also ensure that the project does not discriminate against the households who otherwise would be cut off from the benefits for which they have been qualified to receive.

Even as renters are not made direct beneficiaries of the project, adoption of a Code of Policies similar to that of Tondo, and strict enforcement of its provisions, increase the likelihood of renters becoming direct beneficiaries. The incidence of households owning properties elsewhere in Metro Manila is such that the provision disqualifying such households from receiving project benefits gains added significance. By isolating and identifying these families, the project benefits are able to reach more resi-

dents than would otherwise be possible if a provision such as this were not enforced. Perhaps more than any other policy in the present Code of Policies, this provision should receive the most attention from managers of projects similar to Tondo's.

Similarly, as suggested by the findings of the study, the option given to absentee landlords, owners of multiple structures, and owners who wish to sell their structures should be limited to two:

- (1) Selling to renters living in the structure; and,
- (2) Selling to the authorities.

This would ensure that the benefits ensuring from these transactions are not appropriated to households other than censused renters.

The description of the characteristics of renters has enabled a closer look at the prospective distribution of benefits. Structure owners who rent lots do not appear to have affordability problems, and it also

appears that a substantial proportion of renters of whole dwelling units will be able to meet payments. While currently structure owners are direct beneficiaries of the project, renters of whole structures/dwelling units should be given equal attention as the owners.

This particular type of renting family exhibits characteristics closely resembling those of owner households, and comprise a small enough proportion of the household population to be accommodated within the category of direct beneficiaries. Maintenance of the adopted policy of providing an average of 48 sq. meters per lot and continued efforts to generate more buildable space from the reblocking procedure may contribute significantly to the realization of this objective.

Of all the renter-households, the room renters appear to be poor risks insofar as affordability is concerned, and further detailed studies may be required to assess the extent to which these families may gain access to direct benefits.