



Republic of the Philippines  
**DEPARTMENT OF PUBLIC WORKS AND HIGHWAYS**  
OFFICE OF THE SECRETARY  
Bonifacio Drive, Port Area  
Manila

097.13.DP-27  
12-22-2017

21 DEC 2017

DEPARTMENT ORDER )

151 )

NO. )

Series of 2017 )

SUBJECT:

**Guidelines for the Determination  
Of Appropriate Price Offer for  
Outstanding Right-of-Way  
(ROW) Claims**

In line with the continuing efforts of the Department of Public Works and Highways to streamline its operations for a more expeditious implementation of infrastructure projects, as well as to effect the payment of outstanding Right-of-Way (ROW) claims, pertinent portions of Section 5 of Republic Act (R.A.) No. 10752, otherwise known as *An Act Facilitating the Acquisition of Right-Of-Way Site or Location for National Government Infrastructure Projects*, is hereby reiterated, viz:

*SECTION 5. Rules on Negotiated Sale. – The implementing agency may offer to acquire, through negotiate sale, the right-of-way site or location for a national government infrastructure project, under the following rules:*

**(a) The implementing agency shall offer to the property owner concerned, as compensation price, the sum of:**

- (1) The current market value of the land,**
- (2) The replacement cost of structures and improvements therein;  
and**
- (3) The current market value of crops and trees therein.**

*To determine the appropriate price offer, the implementing agency may engage the services of a government financial institution with adequate experience in property appraisal, or an independent property appraiser accredited by the Bangko Sentral ng Pilipinas (BSP) or a professional association of appraisers recognized by the BSP to be procured by the implementing agency under the provisions of Republic Act No. 9184, otherwise known as the "Government Procurement Reform Act" and its implementing rules and regulations pertaining to consulting services.*

*If the property owner does not accept the price offer, the implementing agency shall initiate expropriation proceedings pursuant to Section 6 hereof.*

*The property owner is given thirty (30) days to decide whether or not to accept the offer as payment for his property. Upon refusal or failure of the property owner to accept such offer or fails anchor refuses to submit the documents necessary for payments, the implementing agency shall immediately initiate expropriation proceedings as provided in Section 6 herein.*

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*The provisions of subparagraph (a) herein shall also apply to outstanding claims for right-of-way payments, except **that the amount to be offered shall be the***

***price at the time of taking of the property, including legal interest until fully paid.***

For further guidance of all implementing units, pursuant to the above-quoted Section 5(a) and the last paragraph of the same Section, all concerned implementing units are required to make an offer to the property owner(s) concerned, as compensation price, the sum of:

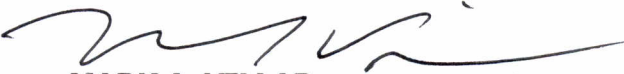
- (1) The market value of the land at the time of taking of the property;
- (2) The replacement cost of structures and improvements therein at the time of taking of the property;
- (3) The current market value of crops and trees therein, at the time of taking of the property; and,
- (4) Legal interest.

To determine the market value of the land, the replacement cost of structures and improvements, and the current market value of crops and trees – all reckoned at the time of taking – the implementing unit of this Department may engage the services of a government financial institution with adequate experience in property appraisal, or an independent property appraiser accredited by the Bangko Sentral ng Pilipinas (BSP), or a professional association of appraisers recognized by the BSP to be procured by the implementing unit under the provisions of Republic Act No. 9184, otherwise known as the "Government Procurement Reform Act," and its implementing rules and regulations which apply to consulting services.

In addition to the foregoing, the computation of legal interest pursuant to BSP Monetary Board Circular No. 799, s. 2013, shall be six (6) percent annually and shall be computed as follows:

$$\text{Total Legal Interest} = \text{Appropriate Price Offer} \times \frac{\text{No. of months since Actual Possession}}{12} \times 6\%$$

This order shall take effect immediately.

  
**MARK A. VILLAR**  
 Secretary 

Department of Public Works and Highways  
 Office of the Secretary



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