

# QC TO SUSPEND 500% HIKE IN REALTY VALUES

Property taxes will still be based on 1996 schedule of market values

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The Quezon City government has opted to suspend the implementation of an ordinance that would have increased the fair market values (FMVs) of land and buildings in the city by up to 500 percent, shortly after the Supreme Court dismissed a petition questioning the legality of the ordinance.



On Friday, the city council agreed to hold in abeyance Quezon City Ordinance No. SP 20162556 until 2019 to “lessen the burden of inflation for the residents and taxpayers of Quezon City.”

Thus, the collection of real property taxes would still be based on the 1996 schedule of FMVs. The decision to suspend the ordinance precludes public outcry at tax hikes at a time when prices of basic goods and commodities are also on the rise.

“We can actually proceed with implementing the updated fair market values, but we would be remiss in our duties if we do that now. We don’t want to burden the people more,” said majority floor leader and councilor **Franz Pumaren**.

‘Unjust and excessive’

On Sept. 18, the Supreme Court dismissed a petition filed by the Alliance of Quezon City Homeowners’ Association Inc. (AQCHAI) against the ordinance, citing AQCHAI’s lack of legal capacity to sue.

AQCHAI argued that the ordinance, which would raise FMVs of land and structures by up to 500 percent, was “unjust and excessive.”

The high court decision was made public only on Wednesday as the local government geared for the upcoming 2019 elections.

Quezon City, a sprawling city of 3 million people, is among the wealthiest cities in Metro Manila thanks to its sizable number of big businesses and affluent taxpayers—a demographic most hit by the new ordinance.

Several of the incumbent city councilors who backed the ordinance are reelectionists.

The new valuations could generate around P700 million from land taxes alone for the city government, said city assessor Rodolfo Ordanes.

Outdated

The last time the city government increased market valuations on property was in 1995.

Since then, the Commission on Audit and the Department of Interior and Local Government have ordered the city to revise the outdated FMVs.

City governments are required by law to revise property valuations every three years. Though the council maintained that updating the values was something they “really needed to do,” they have decided to suspend its implementation “for the time being... We need to do all we can to temper the effect of inflation on commodities for residents and taxpayers of Quezon City,” Pumaren said.